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H. R. 9756

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 1954

Mr. WOLCOTT introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To increase the borrowing power of Commodity Credit Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 of the Act approved March 8, 1938 (52
4 Stat. 108), as amended, is amended by striking out "\$8,500,-
5 000,000" and inserting in lieu thereof "\$10,000,000,000".

6 SEC. 2. Section 4 (i) of the Commodity Credit Cor-
7 poration Charter Act (62 Stat. 1070), as amended, is
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83d CONGRESS
2d Session

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By Mr. WOLCOTT

JUNE 30, 1954

Referred to the Committee on Banking and Currency

S. 3686

IN THE SENATE OF THE UNITED STATES

JUNE 30 (legislative day, JUNE 22), 1954

Mr. AIKEN introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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Read twice and referred to the Committee on
Agriculture and Forestry

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9756

INCREASE BORROWING POWER OF
COMMODITY CREDIT CORPORATION
TO \$10 BILLION

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HEARING
BEFORE THE
COMMITTEE ON BANKING AND CURRENCY
HOUSE OF REPRESENTATIVES
EIGHTY-THIRD CONGRESS
SECOND SESSION
ON
H. R. 9756

A BILL TO INCREASE THE BORROWING POWER OF
COMMODITY CREDIT CORPORATION

JULY 15, 1954

Printed for the use of the Committee on Banking and Currency



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INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION TO \$10 BILLION

THURSDAY, JULY 15, 1954

HOUSE ON REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee met at 10 a. m., Hon. Jesse P. Wolcott, chairman of the committee, presiding.

Present: Messrs. Wolcott (chairman), Talle, Kilburn, Widnall, Betts, Mumma, McVey, Merrill, Oakman, Stringfellow, Van Pelt, Spence, Brown, Rains, Multer, Deane, Dollinger, Bolling, Hays, O'Hara, and McCarthy.

The CHAIRMAN. The committee will come to order.

We have before us this morning H. R. 9756, a bill to increase the borrowing power of the Commodity Credit Corporation.

(The bill referred to is as follows:)

[H. R. 9756, 83d Cong., 2d Sess.]

A BILL To increase the borrowing power of Commodity Credit Corporation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "\$8,500,000,000" and inserting in lieu thereof "\$10,000,000,000".

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "\$8,500,000,000" and inserting in lieu thereof "\$10,000,000,000".

The CHAIRMAN. This bill increases the borrowing power of the Commodity Credit Corporation from \$8.5 billion to \$10 billion.

We have with us Mr. True D. Morse, Under Secretary of Agriculture and President of the Commodity Credit Corporation.

Mr. Morse, you may proceed as you desire.

Mr. MORSE. Thank you, Mr. Chairman. I have a statement which, if agreeable, I will read, in order to present our views.

STATEMENT OF HON. TRUE D. MORSE, UNDER SECRETARY OF AGRICULTURE, ACCOMPANIED BY ROSS RIZLEY, ASSISTANT SECRETARY OF AGRICULTURE; JAMES A. McCONNELL, ADMINISTRATOR, COMMODITY STABILIZATION SERVICE; WALTER C. BERGER, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZATION SERVICE; PRESTON RICHARDS, DEPUTY ADMINISTRATOR FOR PRICE SUPPORT, COMMODITY STABILIZATION SERVICE; ROBERT P. BEACH, DIRECTOR, BUDGET DIVISION, COMMODITY STABILIZATION SERVICE; ROBERT L. FARRINGTON, SOLICITOR, DEPARTMENT OF AGRICULTURE; JOSEPH WHEELER, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. MORSE. Current estimates reflecting the July 9, 1954, crop report indicate that the Commodity Credit Corporation may have to utilize all or more than its present borrowing power of \$8.5 billion to carry out existing commitments for price support for 1954 crops and, at the same time, carry the investment resulting from 1953 and prior-crop price-support operations. Further, there appears the strong probability that available borrowing power may not be sufficient to enable the Corporation to operate until Congress returns in January 1955.

Accordingly, we have requested that the borrowing power of the Corporation be increased to \$10.0 billion before the current session of Congress is adjourned, so as to provide a margin of safety to assure continuance of operations.

DEVELOPMENTS SINCE BORROWING POWER LAST INCREASED

There have been a number of important developments since Congress approved the increase in CCC borrowing power to \$8.5 billion in March 1954 which will have a definite bearing on the demands against the financial resources of the Corporation. These include the following:

1. Prices of farm products which had held relatively stable for 16 months within a range of 15 points, declined sharply from May to June of this year. A seasonal decline was expected, but was more than anticipated. Relatively stable farm prices are expected for the rest of the year.

2. The decline in exports of farm products appears to have been checked, and some increase over exports last year has occurred.

3. Another big crop is in prospect. Most of the wheat and other small grain crops have either been harvested or are far enough advanced to be certain of good yields. A big hay crop has largely been harvested.

4. Reductions in cotton, corn, and wheat allotments did not cause any appreciable diversion of acreage out of crops. The total crop acreage planted is 99.7 percent of that for 1953 and the estimated acreage to be harvested is 100.3 percent of that for 1953.

5. There has not yet been developed a practical plan for disposing of butter, cheese, and dried nonfat milk without involving large costs and losses. The present outlet for dried milk will not be available beyond this summer because of possible serious interference with other protein feed markets.

6. Larger percentages of the 1953 crops of several major commodities were placed under price support than expected. In several instances the percentage was higher than ever before.

7. A larger proportion of the commodities placed under price support was acquired in most instances than in past years. This situation reflects the fact that as supplies build up, more of the total production goes into the price-support program, less redemptions are made and more commodities are acquired by the CCC. At the same time, domestic sales of inventories held by the CCC decline.

UNPREDICTABLE FACTORS MAKE MARGIN FOR SAFETY NECESSARY

Once a price-support program on a commodity has been announced, the Commodity Credit Corporation is in the position of having made an open offer to make loans or purchases at the applicable support price on any eligible quantity of the commodity which may be produced in a crop year. For the major crops, for which the larger part of the borrowing power is used, the level of support prices applicable to 1954-crop price-support operations are those fixed by existing law. Once a crop is produced, the Corporation has no control over the quantity that may be offered to it for price support.

There are a number of unpredictable and uncontrollable factors which govern the proportion of a total crop which is placed under price support, such as the size of the crop, export trends, prices of related commodities, and general business conditions. Similarly, there are many unpredictable factors governing the extent to which it will be possible to reduce the Corporation's investment resulting from prior-year operations.

For these reasons, it is not possible at any time to make accurate advance estimates of either the total amount of the Corporation's borrowing power that will be in use or the timing of its use. This is particularly true before or at the beginning of a new-crop season. These characteristics of the Corporation's operations make it extremely important that the borrowing power of the Corporation not only be sufficient to assure ability to meet all anticipated obligations, but also large enough to provide a margin for possible circumstances not now predicted but which may occur.

The timing of each of the major transactions affecting the use of borrowing power—particularly loans, purchases, repayments and sales—is affected by so many intangible factors and is so subject to rapid change that it is necessary that the total borrowing power be sufficiently large to cover any temporary bulges in total obligations that may occur. For example, a new crop report or a change in the weather affecting the outlook for a major crop can have an immediate effect on the normal seasonal variation in prices and thus on the volume of price-support loans requested by farmers. This, in turn, immediately affects the amount of borrowing power it is necessary for the Corporation to use. Similarly, a large number of different factors can affect the timing of sales of inventories and collection of repayments on loans.

An indication of the rapidity with which the use of borrowing power can increase was the experience during the period August-December 1953. During that 5-month period, the borrowing power in use increased by \$2.5 billion.

In July 1953, we had estimated that the increase during the August-December period would be \$1.2 billion, or less than half that which actually occurred. Our current estimate indicates that borrowing power in use will increase by between \$1.2 and \$2 billion during the comparable period ending December 31, 1954.

CURRENT STATUS AND ESTIMATES OF FUTURE REQUIREMENTS

As of May 31, 1954, the CCC had in use \$6.1 billion of its borrowing power of \$8.5 billion. It is estimated that \$6.4 billion was in use as of June 30, 1954. When projections were made in December 1953, preparatory to requesting the increase to \$8.5 billion, it was estimated that only \$5.6 billion would be in use as of June 30, 1954. Thus, the Corporation will begin 1954-crop operations with \$846 million less available borrowing power than estimated at the time the increase to \$8.5 billion was discussed.

This reflects larger quantities of major commodities under CCC loan or held in CCC inventories on June 30 than anticipated last winter due primarily to large portions of the 1953 crops placed under support, was a result of unfavorable price relationships.

For example, it is now estimated that as of June 30, 1954, CCC funds were invested beyond expectations as follows: 105 million more bushels of wheat; 900,000 more bales of cotton; 100 million more pounds of tobacco; 35 million more bushels of grain sorghums; and 167 million more pounds of butter.

There were other less important commodities in which the estimate was short and there are several on which the estimate was high. The latter include linseed oil, cheese, dried milk, soybeans, and some other.

In addition to having \$846 million less borrowing power available at the beginning of the current fiscal year than was earlier anticipated, our current estimates indicate that at least \$900 million more borrowing power will be required to cover operations during the fiscal year 1955 than was anticipated.

This amount reflects larger amounts of loans and purchases and more carrying charges than expected.

While our estimates in June anticipated a considerably heavier demand on the CCC's borrowing power for 1954-crop operations than previously estimated, the crop report released on July 9, 1954 indicated an even heavier demand will be made.

This report indicated for corn practically no reduction in the total acreage, a near-record yield and the second largest crop of record.

It indicates a record yield per acre for wheat, barley, and rye and a near record yield for oats and dry beans.

It indicates larger acreages than at any time since the 1947 crops for rice, flaxseed, sorghums, and soybeans. Overall, it indicated a volume of crops in 1954, virtually as large as in 1952 and 1953 and only about 3 percent less than the 1948 record. A record all-crop yield is expected.

Current planted acreage estimates are 2.9 million acres above the March prospective plantings report. This outlook, combined with the large stocks of most of these commodities now overhanging the market, make it apparent that the volume of price-support loans and purchases necessary to carry out the commitments on 1954 crops will be extremely heavy.

Using the production estimates contained in the July 9, 1954, Crop Report, and assuming a continued stable general price level, it is estimated that the peak use of borrowing power in the current fiscal year will be at least \$8.4 billion in January 1955. Assuming (1) record yields per acre on crops for which the July 9 crop report does not predict record yields, (2) at least as large a percentage of the total crop placed under CCC loan as has been placed under price support in the past, and (3) general economic and farm price conditions resulting in less repayments on loans and sales of inventories than anticipated, the use of borrowing power could reach \$9.8 billion in January 1955 and could exceed \$8.5 billion in November.

If circumstances are such that the timing of loans and purchases cause more borrowing power to be used earlier in the marketing season for major crops than has been the historical pattern, the peak use of borrowing power might be approached before January 1955. With such a narrow margin of existing borrowing power over the smaller peak use indicated above, and with the large deficiency of borrowing power available to meet the larger possible peak estimated, it is apparent that an increase in borrowing power is necessary before the present session of Congress adjourns.

Accordingly, it is strongly recommended that the increase in the borrowing power of the CCC as proposed by H. R. 9756 be approved to assure the ability of the Corporation to carry out the existing commitments of the Government with respect to price support for 1954 crops.

The CHAIRMAN. Mr. Oakman.

Mr. OAKMAN. Are these estimates based upon existing rigid or flexible price supports?

Mr. MORSE. It is the 1954 crops that are involved in this present operation, and of course the law is definite on that.

Mr. OAKMAN. As it is?

Mr. MORSE. Yes, sir.

Mr. OAKMAN. But this law expires when? December 31, 1954?

Mr. MORSE. Yes, sir; it is effective only through the 1954 crop.

Mr. OAKMAN. You do not forecast anything beyond January, as a problem now. Your problem is through January?

Mr. MORSE. This is dealing with the 1954 crop effects.

Mr. OAKMAN. That is all over by the end of January?

Mr. MORSE. No, it runs well into next year.

Mr. OAKMAN. Into calendar 1955?

Mr. MORSE. Into the early part of 1955.

Mr. OAKMAN. It could be though that you would have to be back here next January, conceivably. We hope not.

Mr. MORSE. The pattern is that we normally pass a peak of requirement sometime in late winter or early spring, and then until the wheat crop starts coming in, the new wheat crop, which would be the 1955 crop, there would be some drawdown of capital in use. Repayments and sales after the peak of input usually are sufficient to reduce the use of borrowing power near mid-year under the commodity credit operation.

Mr. OAKMAN. The other question I had, Mr. Morse, is this: how much new farm storage capacity are we providing for this year?

Mr. MORSE. Commodity Credit Corporation is providing about 200 million bushels of additional storage for CCC-owned stocks.

Early this year, to take care of the small grains, we added a hundred million, and since then we have authorized an additional hundred million looking toward the fall-harvested crops.

Mr. OAKMAN. So there will be a total increase on farm storage of approximately 200 million bushels in calendar 1954?

Mr. MORSE. That is an increase in the Commodity Credit Corporation owned bin capacity.

In addition we have a guaranteed occupancy program, which will provide close to 200 million bushels—that is, guaranties have been already extended and we have reopened the program for further contracts.

Also, as you know, we are making use of storage in idle ships, which provides storage for about 74 million bushels.

Mr. OAKMAN. Thank you.

Mr. BROWN. Mr. Chairman.

The CHAIRMAN. Mr. Brown.

Mr. BROWN. Mr. Secretary, what is the acreage reduction on basic crops?

Mr. MORSE. There is no acreage reduction of the corn crop.

Mr. BROWN. I know, but there is a considerable reduction on cotton and wheat.

Mr. MORSE. Yes. But apparently on corn, enough farmers are going to forego price supports and maintain, or in some cases expand, their corn acreage, so that we will have about the same corn acreage as we had in 1953; on wheat, there will be a 20.5 percent reduction from 1953 harvested acreage, according to the estimates; on rice, it is estimated the average will go up 12 percent to 112 percent of last year's acreage; on cotton, it is estimated there will be a reduction of 20.9 percent; on peanuts, the acreage will go up a little less than 2 percent.

Tobacco will be down one-tenth of 1 percent—virtually the same as last year.

Mr. BROWN. Cotton and wheat are the only items on which there is a reduction?

Mr. MORSE. Yes, sir.

Mr. BROWN. That is all.

Mr. RAINS. Mr. Chairman.

The CHAIRMAN. Mr. Rains.

Mr. RAINS. Mr. Morse, I notice in the report prepared by the President's Council of Economic Advisers that the prices received by farmers declined 4 percent during the month of June, ending June 15?

Mr. MORSE. Yes, sir.

Mr. RAINS. I assume that is the reduction in price received by farmers to which you referred in your statement?

Mr. MORSE. Yes, sir.

Mr. RAINS. I notice also that while prices declined, the parity ratio declined to 88, which is the lowest, I believe, since 1942. What effect will that decline in parity ratio have on Commodity Credit?

Mr. MORSE. It is difficult at this point to know. It will probably cause farmers to tend to put more commodities under loan.

Mr. RAINS. If the continued decline for the farmer takes place—and prices continue to go up for the consumer—to what can that be attributed? The continued decline in prices to the farmer, and the upward trend in prices to the consumer?

Mr. MORSE. May I first say that we still feel that the price for farm commodities has probably been pretty well stabilized. This seasonal decline was expected in June, but, as I indicated in my prepared statement, it was more than was anticipated.

As we look ahead, we do not anticipate that there will be further major declines.

In fact, after the heavy crop movement is cleared, there should be some recovery, as there was last year.

On the cost side, there has been some reduction from the peak, and a 2-point decline from May to June.

However, as you know, when costs get built into industries that supply agriculture, it is very hard for them to be brought down.

Mr. RAINS. I noted somewhere the other day that the dollar at present was the most inflated dollar in history. Does that enter into the consumer cost, and the low prices to farmers?

Mr. MORSE. It enters into the general price level; yes, sir.

Mr. RAINS. In answer to Mr. Brown's question, I believe you stated that cotton acreage has been decreased 20 percent?

Mr. MORSE. Yes, sir.

Mr. RAINS. Do you anticipate any drop in cotton prices for this fall, in the light of the parity ratio, and the present price level?

Mr. MORSE. That is going to depend to a very sizable extent on exports, and the export trend has been encouraging. We think that much of the accumulated world stocks of cotton apparently have been moved, and the outlook is for maintained exports, at least.

Further, of course, there is the matter of the crop yield, on which the prospects so far are favorable. Unless there is an abnormal change in the present indications, we would expect these two factors working together, to fairly well maintain cotton prices.

Mr. BROWN. What about the dairy production this year? Do you expect production to increase or decrease?

Mr. MORSE. There has been some decline in production recently, and it has come earlier than anticipated. The peak of dairy production usually comes later than it has this year. Production turned down early.

Mr. BROWN. The sale of dairy products is much reduced now, is it not?

Mr. MORSE. There has been some increased sales, as near as we can determine, as a result of the——

Mr. BROWN. Well, I mean the price is lower than it has been for some time, is it not?

Mr. MORSE. Yes, sir.

Mr. HAYS. Will you yield?

Mr. BROWN. How would you aid the dairy producers? They are losing money.

Mr. HAYS. They are.

Mr. McCARTHY. Mr. Chairman, would the gentleman yield?

Mr. RAINS. I yield.

Mr. McCARTHY. I understood you to say that you thought prices had stabilized, yet you said that the seasonal line had dropped lower than should have been anticipated.

It seems hard for me to reconcile the two statements. If the prices had stabilized, it seems that the seasonal line should have been normal, yet you have indicated that it is abnormal.

Mr. MORSE. Yes, sir. You cannot determine trends by month-to-month variations. June is 1 month. If there is any trend developing, we would need more than 1 month's experience to pick it up.

Mr. McCARTHY. Then there is no certainty that prices have stabilized? The fact that the seasonal trend is not normal would be evidence, it seems to me, of lack of stability, rather than stability, as you conclude.

Mr. MORSE. That is 1 month's record against 16 months. That is the point. We give much more weight to 16 months of stability as against 1 month, and especially a month where you expect a seasonal down trend.

Also, we have great confidence in the growing stability of the economy at large. That is the dominant factor in controlling the general level of prices of farm products.

Mr. McCARTHY. In the course of the debate on the farm bill—and I think these are facts that were given to us here when you appeared earlier this year—it was stated that the prices the farmers were actually receiving for wheat were running about 82 percent of parity, and in the case of corn, about 80 percent of parity.

Mr. MORSE. Yes, sir, in that neighborhood.

Mr. McCARTHY. If the 82½ to 90 percent flexible program is adopted and put into effect, will it, in your opinion, be so administered that the price of wheat to the farmer will go up to 82½ percent, and the price of corn up to 82½ percent, or do you expect that there will be a comparable lag, as there is now, between 90, down to 82 and 80, a lag from 82½ down to 75 or 78 of parity?

Mr. MORSE. I would not expect a comparable lag. The 80 and the 82 were set in the open market. There is nothing that I would see in the present outlook, with our large livestock and poultry numbers, and the demand for feed, that would cause us to anticipate that the open market prices would be materially affected.

Mr. McCARTHY. You expect that the prices which would be paid to the farmer will remain about the same as they are now, 82 and 80?

If that is the case the flexibility of the program will not mean anything, will it?

Mr. MORSE. It will tend to encourage the use of more of the products, and the sale of some of the products by people who otherwise would store them under Government loans.

Mr. McCARTHY. If it does that, the price to the farmer will have to go down, will it not?

Mr. MORSE. There may be some lowering of prices.

Mr. McCARTHY. If the flexible principle is going to be effective, you will have to have a lag or a dropping off below 82½ percent. If you establish prices at 82½ percent of parity the price of wheat and corn would have to be increased, in one case by 1 percent and the other case by 2½ percent.

Mr. MORSE. In the case of corn, farmers who under a 90-percent support plan have in some instances been inclined to store corn and take the price support, and later turn it over to Commodity Credit Corporation, under flexible supports would be more inclined to feed hogs, for instance, or poultry, or market it through some kind of livestock.

Mr. McCARTHY. I would like to have the opinion of the Department of Agriculture as to what effect the adoption of the 82½ percent parity is likely to have on the prices received by the farmer.

Mr. MORSE. I would like to have our economists examine that further. The opinion I have expressed is an offhand expression, and I would like to have the probable effects studied further.

Mr. STRINGFELLOW. Mr. Secretary, you have spoken of 82½ percent of parity. That is just the floor which was placed under the parity structure, in the House, is it not? It was to be flexible between 82½ percent and 90, as I understand.

Mr. MORSE. That is right.

Mr. HAYS. It always hits the floor.

Mr. STRINGFELLOW. That is not my understanding. What about the advantage wheat has under the old parity?

Mr. MORSE. The price support, under present law, would continue to be based on the old parity which would give wheat the advantage it now has.

Mr. STRINGFELLOW. Yes, sir, about sixteen points. Even if supports were at 82½, it would still be above 90 percent of modernized parity.

We have heard a great deal of debate, Mr. Secretary, during recent weeks, concerning the losses that Commodity Credit Corporation has sustained during the life of its operation.

Do you have anything with you this morning that would show what the Commodity Credit Corporation actually lists with regard to operational losses?

Mr. MORSE. There is a difference between the costs of price-support programs, the total costs, and the costs of stabilization programs, and the losses which show in the accounting for the Commodity Credit Corporation.

Mr. Beach is getting the figures here, and I would ask him to deal with that question because it gets into accounting, with which he is more familiar than I am.

Mr. BEACH. Sir, there are two sets of information which may have caused some confusion. One is the cost of CCC price-support programs as reflected on the books of the Commodity Credit Corporation. That cost reflects the operations of the Commodity Credit Corporation, only as a corporate entity.

Now the costs that relate to programs designed to stabilize prices and farm income, which are carried out through other means than the CCC as a corporate entity, are not included in that total figure which shows up in the CCC records, because CCC keeps its own books as a separate corporation.

The Department has issued a statement which shows, by years, over the period beginning in 1932, a summary of not only the Commodity Credit Corporation's cost of price support programs, which is the first figure I mentioned, but also the cost of other programs designed to stabilize farm prices or income. Those statements were inserted in the record of the hearing at the time this committee considered the increase to \$8½ billion.

We have here the Commodity Credit Corporation report through May 31, 1954, which could be made available if desired.

Mr. STRINGFELLOW. Mr. Chairman, I ask consent that the latest figures be inserted as part of the record.

The CHAIRMAN. Can the figures which have been put in in our previous hearings be brought up to date?

Mr. BEACH. Yes, sir. The CCC figures are now available through May 1954.

The CHAIRMAN. Without objection they may be inserted in the record.

(The information referred to is as follows:)

The net realized loss sustained on the CCC price-support programs from organization of the Corporation in October 1933 to May 31, 1954, was \$1,374,825,203, exclusive of overhead expense and net interest expense.

Mr. MERRILL. Mr. Chairman.

The CHAIRMAN. Mr. Merrill.

Mr. MERRILL. To come back to the purposes of this bill, as I understand it, there is absolutely no discretion on your part. You must buy everything that is offered.

Mr. MORSE. As long as eligible, yes, sir.

Mr. MERRILL. That is what I mean. You have no discretion.

Mr. MORSE. That is right, sir.

Mr. MERRILL. Now the function of a price support program is not necessarily to buy the commodities. It is a means by which you hope to keep the general market level up, as I understand it. You keep the general market level up by keeping the surplus commodities that would break the market off the market by buying them, is that right?

Mr. MORSE. Yes, sir, you are quite right. It is for market stabilization. It is called a stabilization service.

Mr. MERRILL. Now if, for any reason, if because you do not have enough funds to continue the purchasing of commodities, or if for any reason you cannot continue to buy all of the excess that is offered to you, the result would be that you would have an extra hundred million bushels of wheat, let's say, on the market, and the effect of that extra, over and above the needs, would be to collapse the whole wheat market, would it not?

Mr. MORSE. It would tend in that direction, sir.

Mr. MERRILL. So that unless we give to the Commodity Credit Corporation enough lending authority actually to take up all of the commodities that are eligible and offered to it, it is not just a matter of pinching the program a little, but a matter of destroying the program almost completely, is it not?

Mr. MORSE. It could work in that direction, because it is the little extra, often, that overly depresses the total market.

Mr. MERRILL. That is right, as in the case of oil, it is not the hundred thousand gallons that you have storage for, that you are not using, that worries you, but it is the extra 1,000 gallons of oil, for which you have no storage, is that not right?

Mr. MORSE. That is right.

Mr. MERRILL. That little extra is the thing that breaks the market.

Mr. MORSE. It tends to have an undue effect on markets, when you move into a surplus situation.

Mr. MERRILL. The point I am trying to make is that unless we give the Commodity Credit Corporation, much as we may abhor the extra borrowing authority, unless we give the Commodity Credit Corporation the extra money that is needed here, it is not just a matter of pinching the program a little by the amount that we refuse to give them, but it is actually putting the total program in jeopardy and losing the effect of all the money we have spent to date, am I right in that?

Mr. MORSE. Yes, sir.

Mr. MULTER. Will you yield, Mr. Merrill?

Mr. MERRILL. Yes.

Mr. MULTER. There must be something wrong with this theory that is being enunciated by you and agreed to by the Under Secretary. Let me quote from page 5 of the Agricultural Committee report this 1 sentence or 2—that is on this year's agricultural act.

Net farm income has declined 13 percent in the last 2 years, while other sections of our economy have achieved new records.

If the purpose of this program is that which you have enunciated and which the Under Secretary agrees with, why has farm income dropped 13 percent, and prices to the consumer continued to go up?

Mr. MERRILL. For one thing—maybe I am wrong and the Secretary might answer it better—for one thing in the past they did not provide adequate storage facilities for wheat. And so while you had on the books a program that provided for the removal of the excess to support the market, there was no place to put the wheat and it could not be stored, and therefore we did have the market glutted with wheat. That is one of the things, I think, that caused the market price, the free market price, to be below the support price. Am I right on that, Mr. Secretary?

Mr. MORSE. Yes, in general that has entered into it.

A great deal of the price decline has been in commodities that in some instances were above 90 and 100 percent of parity. Beef cattle prices, for instance, were up very substantially; I think to over 130 percent of parity, for a time—and they have come down; they have entered into the total 13 percent decline. Hog prices, more recently, have been up in the 120 percent to 130 percent of parity range.

Mr. MULTER. But the overall picture is precisely as stated in this report, there has been a net farm decline of 13 percent in 2 years, while other sectors of our economy have achieved new records, and while achieving those new records, the consumer is paying more. There is something wrong with the program somewhere. If the theory written into the law is right, then there is something wrong with the administration. If the administration is right, there is something wrong with the law.

Mr. MERRILL. I think the administration agrees with you, there is something wrong with the program, and that is what we are trying to correct.

Mr. HAYS. I will tell you what is wrong with one segment of the program.

Mr. MERRILL. I realize we could argue the farm program over again here. That was not my intention. The point I am trying to get clear in my mind is this: If we are going to keep a farm program from going bankrupt, we have no choice but to increase the authorization of the Commodity Credit Corporation at this time; have we?

Whether we agree with the program or not, if we are going to keep this program from going bankrupt, we have no choice at the present time as to whether we are going to increase the authorization of Commodity Credit Corporation or not. It is either, increase it, or bankrupt the program; is that not right?

Mr. MORSE. Yes, you would run the risk of that. The mere fact that there is this standby authority to make these loans, backed up

with adequate borrowing power, gives farmers confidence in the market. They proceed knowing that there is this standby authority that can be used if they wish to take advantage of the support program.

Mr. MERRILL. Since to exceed the borrowing authority would just be a catastrophe, so long as we are going to keep this program in effect, and since you point out here that in January we might get to the \$9.8 billion, do you think—goodness knows I do not want to go any higher, but do you think in view of that figure that a \$10 billion authorization is a safe figure?

Mr. MORSE. We would feel so at this point. As you know, we are placing great emphasis on marketing. We are attempting to develop foreign markets. We have had special missions abroad. We are working on their reports, and we hope that the further we go the more control over the situation we will get. More strength will be injected into the market. We hope that we would not have to come back for more borrowing authority.

Mr. MERRILL. But am I right, or am I overemphasizing the seriousness of running out of credit?

Mr. MORSE. Not at all. And I assure you it is with great reluctance that we are asking for the additional authorization.

Mr. MERRILL. Even under the present situation you think \$10 billion is adequate?

Mr. MORSE. Yes, sir; at least, may I add, until Congress is back and has time to get into its work again.

Mr. MERRILL. That is what I mean; yes.

Mr. MUMMA. You say until Congress gets back?

Mr. MORSE. Yes, and has time to get into its work; we will then know what we will have in the way of new legislation going beyond 1954 crops.

Mr. MUMMA. Do you indicate by that that you will not be back for more?

Mr. MORSE. No, but we will also know by then the size of the crops for this year.

Mr. HAYS. You would not want to say that you will not be back.

Mr. MERRILL. Excuse me, I have the floor.

Mr. TALLE. Will you yield for a moment?

Mr. MERRILL. I yield.

Mr. TALLE. I observe from looking at the report, Mr. Morse, that you are very optimistic about this year's crop.

Mr. MORSE. Yes, sir. The July 1 crop report is the basis for that, and it shows a very favorable crop prospect.

Mr. TALLE. I wanted to ask you, on that very point: over the years, have you found that your crop reporting has been quite accurate?

Mr. MORSE. Yes, sir; there have been some exceptions to that, and I believe Congress at one point interested itself in the matter; but in the main, and for most of the crops, the crop reports have been quite accurate.

There are obviously needs for adjustment through the season, depending upon weather developments, but even with those adjustments the early crop reports give a good indication of the probable outcome.

Mr. TALLE. I have seen, for instance, in North Dakota, a beautiful stand of Durum wheat in the milk stage. Then 2 or 3 days of hot winds will cook that wheat, and what you thought would be a bumper crop will turn out to be nothing but chaff.

Therefore an estimate at a point in time can be very wrong.

How widely wrong would depend upon the importance of the area of course, in which the damage occurs. Yesterday it was reported to me that the oat crop in the Middle West, in one area, was simply being burned up by intense heat. So I am wondering whether your crop reporting is sufficiently up to date so that you can pretty well depend on it, or whether or not the weather in these last few days may have made your crop reporting estimates wrong.

Mr. BROWN. In the Southeast 2 or 3 weeks ago they thought they would have a bumper grain crop. Now they do not think they will make very much.

Mr. MERRILL. Dr. Talle, would you agree, when you think of the importance of the program, that the Department has to figure on the maximum demand?

Mr. TALLE. Oh, yes.

Mr. MERRILL. Because if they do not figure on the maximum, if they run out of money, this program will collapse.

Mr. TALLE. Oh, yes, I certainly agree, and I am not arguing against the bill. I am in favor of the bill.

I am, however, interested in knowing, on the basis of experience, how accurate crop reporting has been, and how accurate it is now.

Mr. MORSE. The crop reports have been surprisingly accurate. Some crops go down in yields in some areas, and at the same time you get increases elsewhere. While some areas will tend to go below earlier estimates, you have increases in others. But through the years, there has been a good record for the crop-reporting service.

Mr. TALLE. What means of communication do you employ for getting the data on crop reports?

Mr. MORSE. We have reporters throughout the United States that report regularly.

In addition, there is a crop statistician in each State.

Mr. TALLE. Do the PMA people assist in that?

Mr. MORSE. Not regularly, as I understand, unless they happen to be among the individual crop reporters.

Mr. TALLE. County agents, I assume, assist in that?

Mr. MORSE. Again, I think, not directly, as part of the crop-reporting system, but we draw on many avenues of information. In the main, it is a body of crop correspondents, as well as the statisticians. In addition, specialists are traveling and observing, so that they have many checks and cross checks. There are private estimates, which of course shed some light, but in the main it is relying on crop correspondents that are reporting to the Department.

Mr. TALLE. And if there were substantial changes you would know about those in a few days; would you not?

Mr. MORSE. They would tend to be picked up; yes, sir.

But officially, these condition reports are as of the first of the month, as you know. At times there are some interim reports from the Department which shed some light on developments.

Mr. TALLE. Thank you for yielding, Mr. Merrill.

Mr. MERRILL. I have just one other question I want to ask.

Mr. MUMMA. Will you yield?

Mr. MERRILL. I yield.

Mr. MUMMA. Dr. Talle, this wheat you saw, what is the harvesting date on that?

Our date is July 4. My point is this: that this extreme heat coming around harvest time, after the grain is grown, would change the moisture content; would it not?

Mr. TALLE. After the kernels have matured what the farmers fear is rust. At the stage I talked of, the kernels were in milk stage, and the hot winds simply cooked the wheat, and the potential kernels shriveled up.

Mr. MUMMA. I was trying to figure whether this hot spell has affected our wheat.

Mr. TALLE. North Dakota has a later harvesting season.

Mr. MUMMA. In our State the heat would merely reduce the moisture, and you would not lose much in the way of bushels per acre.

Mr. MERRILL. I have just one other question with reference to this bill: I was deeply disturbed when sincere men got up, in the debate on the last agricultural bill, and said that in the last 20 years the Commodity Credit Corporation had lost \$28 million.

Of course that is based upon the bookkeeping records, that are kept due to the fact when disposal programs are in operation, the reimbursement to Commodity Credit Corporation is in full.

Now I did not know too much about it, but when they said, on the floor, that the Commodity Credit Corporation in 20 years had lost only \$28 million—and they were speaking honestly from records—I knew in my own mind that the Pakistan wheat loan itself, if you take the world market price, cost the Commodity Credit Corporation a real loss of in excess of \$28 million on that one deal.

Now I am very definitely concerned about a situation in which sincere men, speaking from honest records, can make a statement that is as erroneous as that, to the Congress, and to the American people, and I would like to know something about it. I appreciate your very informative letter to me which pointed out that bookkeeping methods can be arranged as to show accurately the results of the support program. But I am interested in something more than that. I am interested in a program that will make it impossible for sincere men to so grossly misrepresent the true cost of this price-support program to the American people.

Have you given any additional thought to what could be done in the way of legislation—not only to make it possible for you to look at the books and get the loss, if you wanted to do it, but to make it impossible for those misrepresentations of the true cost of the price-support program to be made. To put it in concrete language, it is directed at one point: I am interested in legislation that would make it absolutely impossible for sincere men, speaking from records honestly kept, to get up and say again, that the total cost of the Commodity Credit price support program has only been \$28 million in 20 years, when every man knows that it cost the taxpayers much more than that.

Mr. MULTER. Will you yield?

Mr. MERRILL. I yield.

Mr. MULTER. I gave you an opportunity, when we had the seed bill up, to correct this manner of bookkeeping with my amendment, and you voted it down, the Republicans voting unanimously against it. When a department or anybody else acquires anything from CCC, they ought to pay for it at market value, and then CCC should reflect the difference on their books as a loss. Unless they get into that

kind of honest bookkeeping, it is going to be the fault of the Members of Congress if we cannot get the information because it is not reflected on their books. If we let them write it off and then reimburse them, their books are always going to be in balance and we will never know what the cost is.

Mr. MERRILL. You are right. May I say this, Mr. Multer: I agree with you that honest men were sincerely making this mistake on the floor because of the bookkeeping.

Also, I wanted very much to support your amendment. The only reason I did not is I did not want to vote for a thing as revolutionary as that until I had an opportunity to hear from the Department on it.

I cannot see in my mind what argument there could be against your amendment. I did not support it simply because I did not want to in my inexperience—and I have not been here as long as you have—

Mr. MULTER. I did not offer it on the floor so as to give these men an opportunity to come in and tell us what should be done about it.

Mr. MERRILL. I think now in the time for us to discuss it, because we are authorizing an increase, and I think as a part of that we have an obligation to do what we can to make sure that the American people in the future get an accurate picture of this thing, and to make it impossible for honest men, reporting from accurate records, to make the gross misrepresentation that was made on the floor, that the program cost \$28 million in 20 years.

Mr. DEANE. Would you yield?

Mr. MERRILL. I yield.

Mr. DEANE. In the actions that we have taken to date, how is that reflected in the increase of the national debt? I assume you are now continuing to purchase notes from the Treasury, which in turn is reflected in the level of the national debt?

Mr. MORSE. Yes, sir.

Those operations are handled daily, based on needs.

Mr. DEANE. What concerns me is this: How can we increase this authorization without coming to grips with increasing the national-debt ceiling?

Mr. MORSE. I will ask Mr. Beach to comment on that.

Mr. BEACH. The use of the CCC borrowing authority may or may not affect the national-debt limit—

Mr. DEANE. Well, we would like to have something positive.

Mr. BEACH. I was going to explain why it may or may not.

In the case of borrowings directly from the Treasury, which comprises the largest part of our total obligations—

Mr. DEANE. Right on that point, that increase in February, whatever it was, were those notes sold to the Treasury?

Mr. BEACH. We do not use the borrowing authority until we actually have need for it.

We had in use, on May 31, 1954, \$6,100 million of borrowing authority. That was broken down into two different categories of use.

One category is our borrowings from the Treasury, \$4,046 million.

The other category is obligations to purchase loans or certificates from lending agencies. The latter category does not represent a use of the national-debt limit, until the Commodity Credit Corporation is called upon to take up those demand obligations.

In other words, we have an obligation as the Commodity Credit Corporation to purchase on demand any notes held by commercial banks, made in the course of extending price support to an individual farmer, and any certificates held by banks.

When that loan or certificate is presented for payment, or when the loan matures and we have to pay the bank off for the obligation that we have to it, then we would borrow from the Treasury. At that time the transaction would become a national-debt transaction.

Thus, of the \$6,100 million that we had in use on May 31, only \$4,046 million would actually be reflected in the use of the national-debt limit.

Mr. DEANE. I wonder, Mr. Chairman, for the benefit of the record and the hearings, if the Under Secretary's staff would include a statement on just how what Mr. Beach has said is operating, and showing how it reflects on the national debt.

(The data referred to above is as follows:)

The use by the CCC of its borrowing authority may not in all instances immediately add to the national debt. Obligations incurred by CCC under its borrowing authority are defined by law as including (1) borrowings from the Treasury and (2) notes or other obligations held by lending agencies evidencing loans made by such agencies under the Corporation's programs. The day-to-day operations of the Corporation, involving cash receipts and expenditures are financed through daily borrowings or repayments to the Treasury. These borrowings and repayments constitute expenditures or receipts by the Treasury and therefore directly affect the national debt. The notes or other obligations held by lending agencies are usually in the form of producer notes or certificates of interest and constitute demand paper. As long as notes or certificates of interest are held by lending agencies, no expenditures have been made by the Treasury and while they are a charge against the Corporation's borrowing authority, the national debt is not affected. When the notes or certificates are presented by the lending agencies for payment, the Corporation must borrow from the Treasury at which point the national debt is affected.

Mr. MULTER. I think the point we have in mind is this: The Treasury is right, that at certain times during this year we are going to get within a half-billion dollars of the debt limit. If we arrive at that point, you could not possibly use this authority, for this extra billion and a half, because if you would use only a billion dollars of it you would put us a half a billion dollars over the debt limit.

Mr. BEACH. The Treasury's estimates include these estimates likewise.

Mr. MULTER. Then coming within half a billion dollars of the debt limit includes only \$8½ billion dollars?

Mr. BEACH. No, sir; the estimates, I think, based on our experience with them, that the Treasury uses as to how much of the debt limit they may use, reflect our estimated obligations and receipts, not what we have in the way of borrowing authority.

Mr. MULTER. Then we are already in trouble. Because you estimated for them, as you did for us, that you would run to \$6,100 million and you have gone to \$6,400 million.

Mr. BEACH. But what I am saying is that they are using likewise our current estimates, which we are now presenting to you.

Mr. MULTER. Then their estimate of coming within half-billion dollars of the debt limit could not use what you are giving us now, because those figures were given to us last month.

Mr. BEACH. But they reflected our estimates at that time. They were slightly less than those we are making now based on the July crop report.

Mr. MULTER. That is the point I am making, their figures could not have had in mind this billion and a half that you are coming up with now.

Mr. BEACH. They would have in mind a major part of it, but not all of it, that is correct.

The CHAIRMAN. May I observe also that that would have been completely offset and overcome if they did not include tax considerations?

Mr. McVEY. Mr. Chairman, I would like to refer to a statement made a moment ago by Congressman Merrill to the effect that on the floor of the House it was said this price-support program had cost the Government about a million dollars a year.

Now that is not a fair representation of this situation, and I think we are just kidding ourselves if we think the price-support program has cost this country only about a million dollars a year.

The fact of the matter is that those who made that statement were taking into consideration the revenues which the Government had received from the one-half cent tax per pound on sugar. They took into consideration the revenue from that, and subtracted it from the losses on the price-support program, and that leaves about a million dollars a year deficit in the whole program.

But sugar is not part of the price-support program. You might as well take the revenue from the income tax, or the tax on furs or jewelry. There is no reason for taking the income on sugar and subtracting that from the cost of the price-support program, as I see it.

This is not an argument against the price-support program, but I think we have to be fair to the American people.

We have to let them know what this is costing the country, and I think Mr. Merrill is exactly right when he says that the people have a right to know just what the cost has been.

Mr. BEACH. If I may, I would like to make this one comment with respect to the CCC-realized losses. There is published every month, a report called Report of Financial Condition and Operations of the Commodity Credit Corporation, which includes, in schedule 8, a detailed statement, by commodities, and by time periods, of the actual realized losses recorded on the books of the Commodity Credit Corporation, attributable to the price-support program.

The total amount shown there for the period through May 31, 1954, for price support only, was \$1,374,825,203. That is the straight CCC loss. It does not include losses that would have been taken by the section 32 program, as a result of utilization of CCC commodities in direct distribution, for example, in school lunches, nor does it take into consideration any of the other programs that were developed to accomplish at least a part of the end of stabilizing farm prices and farm income.

Now, this large tabulation which I mentioned a moment ago, which was inserted in the record of the hearings of this committee on the previous increase in borrowing authority, does cover all of those individual programs.

It reflected the cost of the sugar program as one of those programs, related to the stabilization of farm prices and farm income. It did deduct the amount of the tax collected, because the tax collected on sugar, as related to the sugar program only and not CCC, would not be collected were it not for the same act that requires the payments.

In other words, those two are a part of one activity. It is a self-supporting price stabilization program, so to speak, for sugar only.

It would be wrong, as you say, definitely, to make any relationship in the way of deducting taxes from the realized loss of \$1,374,825,203 on CCC. But it is right to combine this figure of \$1,374,825,203 with other results, like the sugar program results, the International Wheat Agreement cost, acreage allotment and marketing quota costs, and other costs related to the price-support program indirectly.

So that this overall summary, gives a better picture, from the standpoint of the ground it is intended to cover, and that is stabilization of farm prices and income, than do the operating results of CCC by themselves.

That is not to say, however, that the books of CCC are not correctly stated, in accordance with sound commercial accounting principles, as they are reported. And this is a public report, so there is really no reason for anybody to be greatly confused about these figures.

They have all been made available and printed in various congressional hearings this spring.

Mr. McVEY. You would find a good deal of confusion on the floor of Congress.

Mr. BEACH. That may be, but I wanted to bring out that the figures have all been made available to anyone who wants to use them.

Mr. MERRILL. All I would like to have would be for Mr. Morse to comment on the question I raised, which really is, what do you think of Mr. Multer's amendment?

Mr. BROWN. Would the gentleman yield?

I want to insert in the record a report made by the Commodity Credit Corporation, showing that on December 31, 1953, on basic commodities, loss was \$67,567,684, through a period from October 17, 1933, on basic commodities. Among the basic commodities, the profit on cotton was \$269,267,506 through this period. Is that correct?

Mr. BEACH. That is correct, sir, as of December 31, 1953.

There were other cotton programs that reduced that down to about \$235 million profit.

Mr. BROWN. That is the report of December 31, 1953.

Mr. BEACH. Yes, sir.

Mr. BROWN. The report showed a total loss of only \$67 million throughout the years, from 1933, on all basic commodities. Is that correct?

Mr. BEACH. That is correct.

Mr. MERRILL. I don't want to keep the floor any longer, Mr. Chairman, if I can get an answer to that question. I should like to have your comments, Mr. Morse, on the type of amendment which Mr. Multer introduced. His amendment would provide that when these disposal programs come about, the books of the corporation would actually show what you are realizing under the disposal program, which would be the world price or the domestic price, depending upon where the goods were disposed. When appropriations were made to reimburse you, your books would not show reimbursement at the price you were paid for the commodity, but so much money for the loss, plus so much money for the true value of the commodity that you disposed of.

Do you understand the type of amendment that Mr. Multer introduced?

Mr. MORSE. I don't have clearly in mind the full implication of it. I would like to respond more adequately with reference to your question, if I may, later.

Mr. MERRILL. Please do.

Mr. SPENCE. Mr. Chairman?

The CHAIRMAN. Mr. Spence.

Mr. SPENCE. Mr. Secretary, you spoke of the purchase, unanticipated, of a hundred million pounds of tobacco. What character of tobacco was it that you purchased to support the price?

Mr. MORSE. That was loan commitments.

Mr. SPENCE. They weren't purchases?

Mr. MORSE. No.

Mr. SPENCE. What was the character of tobacco? I would like to know what the Commodity Credit Corporation has realized from the tobacco program during the years.

Mr. MORSE. Again, I will ask Mr. Beach to answer that.

Mr. BEACH. Mr. Spence, we can insert in the record the breakdown of the loan volume by types. I do not have the breakdown by types of tobacco at this time. And also, the operating results on tobacco since the beginning, if you would like to have that.

Mr. SPENCE. Yes, sir; I would like to have that.

(The data referred to above are as follows:)

The increased investment in tobacco of approximately 100 million pounds is about half flue-cured and half burley. With respect to flue-cured tobacco, our original estimates of the amount to be placed under loan were fairly accurate but repayments in the spring lagged. As a result more loans were outstanding on June 30, 1954. The increase in burley loans outstanding resulted from a larger production than was anticipated when the original estimates were prepared.

Mr. SPENCE. What overall fact——

Mr. BEACH. I have the operating results now.

The Commodity Credit Corporation itself, the Commodity Credit Corporation price support program on tobacco, has shown a profit, since the inception of the program, of \$1,884,565. That is from October 1933 through May 31, 1954.

That does not include any programs other than CCC programs.

Mr. SPENCE. Yes, sir.

Now, what effect will the price support have on the operations of the Commodity Credit Corporation?

Mr. MORSE. For this year, any new price support program would have no effect, through this 1954 crop year.

Mr. SPENCE. What do you think will be the general effect in the future, of flexible price supports?

Mr. MORSE. It should help us bring the production of farm products into line more nearly with the supplies.

Mr. SPENCE. When will a farmer know, under that program, when his price support will be fixed, by the Secretary of Agriculture?

Mr. MORSE. That would be before planting, as has been the practice in the past.

Mr. SPENCE. If he once sets the price, that will exhaust his powers over that. He can't subsequently, because of subsequent conditions, change the support price?

Mr. MORSE. No, we can increase it subsequently, but not decrease it.

Mr. SPENCE. So the farmer will know what his support price will be at the planting time, or before the crop?

Mr. MORSE. Yes, sir; the minimum.

Mr. SPENCE. Will he have the same assurance as to what price he will get? It seems to me that one of the stabilizing effects of the price support program is that it gives the farmer a knowledge as to what he will get before he plants.

He will have the option, then, of either remaining as a farmer or leaving the farm and seeking a job in the city.

Will he have the same opportunity to know what his support price will be under the flexible support price plan, even though it will be lower than 90 percent? Will he have an opportunity to know that before he plants his crop?

Mr. MORSE. Yes, sir; he would have a definite figure on the basic commodities, announced ahead of time. In addition, he would have, as a guide, whatever minimum is provided by the law.

So he would have these two guides. Of course, they would have much more assurance than the folks who are producing the main part of the agricultural income. They have no advance pricing, no supports, no announcements of any kind to guide them. I refer to the livestock industry and the poultry industry, vegetables and fruit, where most of our agricultural income originates.

They have no advance assurance of the kind you are speaking of.

Mr. SPENCE. But the farmer has a big investment, and his investment in the land is about all he has.

Under the inflexible price support, he knows what he will get from year to year. Don't you think that has a stabilizing effect? Isn't it an assurance that he will not have under a flexible price support program?

Mr. MORSE. As I have indicated, that applies to only a few of his crops. On most of his income he does not have, now, and he would not have in the future, we assume, that type of guidance.

Mr. SPENCE. That is true.

But he has it on the great cash crops of the Nation, he has it on the basic crops, which are really the food and fiber producing crops of the American farmer.

Mr. MORSE. But he does not have it on the principal sources of income—more than half of the agricultural income of the Nation.

The question in the minds of the people is—should he have supports on some of the items and not on others?

Mr. SPENCE. But now he only has the assurance from year to year, that he will get somewhere between 80.5 and 90 percent support price for his crops, outside of tobacco. That is true, isn't it?

Mr. MORSE. That has not been enacted into law, yet—that range.

Mr. SPENCE. Well, it seems to me it will take away from him the assurance of what he may get, and I think that was the purpose of the original support price program. Of course, we can't settle that here; The Commodity Credit Corporation will be necessary whether that is passed or not.

Mr. HAYS. Mr. Chairman?

Mr. TALLE (presiding). Mr. Hays.

Mr. HAYS. Mr. Morse, exactly what percent of parity is the dairy industry getting at the present time? I know it is set at 75 but they are not actually getting 75.

Mr. MORSE. For butter it has been averaging 75 and above. For cheese, and nonfat dried milk, it has been running somewhat under,

and in recognition of that, we recently took action and increased the support price 1 cent a pound on each of these products.

Mr. HAYS. Yes, sir; but that really doesn't mean anything, Mr. Morse, because the dairy farmers in my district are getting 40 percent less for their milk than they did a year ago. You buy the milk from the processor. You buy the cheese and the butter, and he pays the farmer whatever he pleases. You are not giving any price support to the dairy farmer under this program.

The dairy farmer gets what they decide to pay him, and no more. Isn't that true?

Mr. MORSE. That may be true as to individual processors, and in localities where the marketing competition is less, but our operations are based on the United States average, as far as those supports are concerned.

Mr. HAYS. I haven't been able to find any dairy farmers anyplace that are very happy.

For instance, in my district they are selling milk for 6½ cents a quart in Pittsburgh milkshed and delivering it on the doorstep for 25 cents.

Now, the consumer finds it unbelievable. He said you have got a price support. You are taxing us. Yet, we are paying 25 cents. They don't even believe it. Is there any other way Commodity Credit can handle it, or is there anything you can do about it? This is supposed to help the farmer, not the processor, as I get it.

Mr. MORSE. Yes, sir, that is the purpose of the price-support operation in the dairy field, to benefit the producers. It is not a support to benefit the processors.

Mr. HAYS. You say in your statement, on page 2, fifth item, "there has not yet been developed a practical plan for disposing of butter, cheese, and dried nonfat milk without involving large costs and losses."

I queried you about that last spring, when you were in here, or I queried the Secretary, and he said, "They are working on it."

Now, here you are 6 months later. Have you made any progress?

Mr. MORSE. We feel we have made some progress. We are continuing, I assure you, to work on it, examining every feasible proposal that is presented.

In the meantime, there is some evidence that the promotion to increase consumption is helping out at the new price levels. Further, as I have indicated, that there has been some reduction in production earlier than the usual seasonal trend.

Mr. HAYS. But I remember in the paper only the day before yesterday that you are still buying butter and all of these things at a rather fantastic rate.

Mr. MORSE. Yes, sir.

Mr. HAYS. What are you doing with them?

Mr. MORSE. We are storing them, except where we have outlets. We are moving as much as we can, and the rest of it is being stored.

Mr. HAYS. Is any of that spoiling?

Mr. MORSE. Not as far as we know.

There is occasionally some small spoilage which occurs in any vast storage operation, but as far as we know, the products are still in good condition.

Mr. HAYS. Do you have any deadline or target date when you are just going to come up to the end of storage and you are going to have to do something, and can't procrastinate any longer, and will have to find a solution?

Mr. MORSE. No, sir; and of course, the pressure under which we are working is the storage costs, and always the possibility that the products may reach the point of spoilage. We are anxiously examining, and we are constantly working on, any feasible plan for moving these products into us and getting them out of storage.

Mr. MUMMA. Mr. Hays, will you yield?

Mr. HAYS. I will yield.

Mr. MUMMA. Just one question. Is most of this butter in commercial sizes like pounds or quarter pounds, or is it all tubs?

Mr. MORSE. No, sir; it is in large containers. As we have the opportunity to move it, we have it repackaged according to the outlet.

There is no use repackaging it until you know the size and type of container it needs to be repackaged in for distribution.

Mr. MUMMA. What is the most common-size package used?

Mr. MORSE. 60 pounds.

Mr. MUMMA. Well, to get to the average consumer, still 60 times as big as a package should be, is that correct?

Mr. MORSE. As I say, as we have outlets, it is repackaged then in the sizes that can be effectively used.

Mr. MUMMA. Have you ever considered whether it would be feasible to buy a greater percentage in pound packages, if so then you have a more ready market for distribution?

Mr. MORSE. I am sure that has been fully considered.

The conservation of storage space, and the effective handling of it in storage, I am sure, would be complicated by smaller packages.

Repackaging is not a problem. The repackaging can be readily handled, and the cost is not a major cost of the butter.

Mr. BETTS. Would you yield for one question, Mr. Hays?

Mr. HAYS. I yield.

Mr. BETTS. Mr. Hays mentioned the differential between what the dairy farmer gets for his milk, which is 6½ cents a quart at the moment, and what it sells for in Pittsburgh, which is 25 cents.

Isn't the answer to that what the dairy processor in Pittsburgh has to pay for wages and the high cost of operating an establishment in a big city, where costs and taxes are higher, where wages are higher?

Mr. HAYS. Let me answer your question, because I happen to sell in the Pittsburgh market and I think I know something about it.

I wouldn't have said a word and neither would the rest of them, when they cut us down, but did they pass it on to the consumer?

No; they raised the price a half cent a quart.

Mr. BETTS. I am wondering if there wasn't some explanation for the differential.

Mr. HAYS. They always have a fine explanation, the fact that they are not putting as much in fluid milk, but that is not the real explanation.

Mr. MERRILL. Is that 6½ cents, ungraded?

Mr. HAYS. That is grade A milk, 6½ cents a quart.

Mr. MERRILL. The other varieties are even lower.

Mr. HAYS. That is right.

Mr. BETTS. Doesn't that have a lot to do with the difference?

Mr. HAYS. That has some effect, but it is not all.

Mr. MORSE. Yes, sir; the costs of distribution, packaging, and operation of processing plants of course enters into the retail costs.

Mr. HAYS. Mr. Morse, I was a little optimistic last spring that you were going to do something about this.

Now, I read in the paper that you are selling butter abroad at a loss. Is there any truth in that?

Mr. MORSE. Yes, sir.

Mr. HAYS. Mr. Morse, how could you expect anybody on this committee and I am not being partisan about this, and I would say it if my party was in power—how could you expect anybody on this committee to go back to their district and justify taxing the people to buy up butter, and then have you sell it to some foreign country at less than the American housewife can pay for it?

Do you think we have an easy job to do there?

Mr. MORSE. No, sir; this is a very difficult and complicated business, and I am sure that you would need to explain the reasons for such sales.

Mr. HAYS. I don't think there is any explanation that you could get across to them.

Mr. MORSE. Maybe you can't get it across, but there is an explanation, a very sound explanation.

Mr. HAYS. I will disagree with you there. There is no explanation and there is no excuse. And I am making this as a statement for your department to sell butter at a loss to people in foreign countries, and tax the housewife here and keep the price of butter up for her. There is no explanation for that, and I am not going to go back and try to make one.

Mr. MORSE. Mr. Congressman, we are operating under law. It is mandatory that we have to support the price of dairy products.

Mr. HAYS. Yes, sir, but there is nothing in that law—

Mr. MORSE. And when we attempt to get this butter to the American housewife, it tends to replace either her purchases of other butter, or margarine, which represents oil. That means that through Government hands you tend to recycle a much larger quantity of butter and oil. As a result, you are increasing the cost to taxpayers, the storage costs, and all the other costs that enter into this price support operation.

Mrs. Housewife is a taxpayer along with her buying operations.

Mr. HAYS. That is just what I am objecting to. She is being taxed twice.

Mr. MORSE. If you put in a domestic program which greatly increases these costs, then the costs get back to the taxpayers, and back to the families of this country. Where this butter moves abroad you don't have that effect.

Mr. HAYS. I questioned Mr. Benson, or you, I don't remember which it was, last spring, about the possibility of a 1-cent sale to get rid of some of this butter and whoever I asked said they were considering it.

Mr. MORSE. Yes, sir.

Mr. HAYS. Are you still considering it?

Mr. MORSE. Yes, sir; if anyone will come forward with a plan that will not have the effects to which I referred. Of course, my brief explanation is an oversimplification of the problem. We would be happy to consider any practical plan of disposal.

Mr. HAYS. I think it is oversimplification and I will give you a suggestion. You might get one of these toothpaste executives because they do that regularly and they don't seem to think it cuts down their marketing.

Mr. STRINGFELLOW. But the United States Government is not involved in the toothpaste business.

Mr. HAYS. But the toothpaste people seem to think it increases the sale of it, to give an extra pound for 1 cent.

Mr. OAKMAN. They just take so much toothpaste away from the other fellow's market.

Mr. DEANE. I wonder if you are not thinking of 1 class of milk, and the Secretary of 2 or 3 different classes of milk.

Mr. HAYS. Of course, they are moving all classes and the farmer gets a blend price, but the point I didn't get an answer for, is what percentage of parity the farmer is getting on a nationwide scale. You must have that in some of those charts? It isn't 75 percent.

Mr. MORSE. Do you want all milk?

Mr. HAYS. You break it down any way you like. I am not trying to pin you down to make it look bad. I am just trying to get the statistics.

Mr. MORSE. This is a June 15 figure. On all milk, the wholesale price is 82 percent of parity; on butterfat, it is 79 percent.

Mr. HAYS. Who is getting that?

Mr. MORSE. The farmer.

Mr. HAYS. The farmer?

Mr. MORSE. Yes, sir.

Mr. HAYS. I wish you would produce a farmer that would tell me he is because I haven't been able to find any. They are mad. They are not only mad at you, but mad at me and everybody connected with it. And of course, Mr. Morse, the thing that makes it hard for you to sell that statement to me is that I happen to ship milk, 20,000 pounds of it a month, and I am not getting that kind of a price. So you see, it is a little more difficult to talk to somebody who knows something about it than it is to say, "Those are the figures."

I don't know who figures those out for you but they are not accurate.

Mr. MORSE. Those are Department of Agriculture figures, and I don't know that they have been successfully challenged.

Mr. HAYS. Well, they can be challenged out in the Pittsburgh area.

Now, you made another statement. You said costs are down 2 percent to the farmer. That takes in everything he uses, I assume?

Mr. MORSE. One of the costs that enters into that is feeder livestock and poultry. Some farmers buy stock to feed and that is one of the factors. His feed costs enter into it, his fertilizer, and the other costs that farmers incur in their operations enter into that figure.

Mr. HAYS. Do feeder calves make such an appreciable difference? Because I can't think of a single thing that I buy that has declined in price.

Mr. MORSE. It includes all feeder livestock and feed, too.

Mr. HAYS. That would tend, then, to balance, for the average farmer, who isn't in the feeder cattle business, that thrown in would kind of unbalance the whole picture.

Mr. MORSE. These are national averages.

Mr. HAYS. I understand.

Mr. MORSE. They are reflected in the national average, but as to individual farmers they might not be representative.

Mr. HAYS. That is all I have to say, except when you come back for more money next January you will have found some way to get rid of this surplus butter.

Mr. WIDNALL. Up in my own area, Mr. Hays, the milk driver is getting approximately 10 cents a bottle, a union driver, for delivering the milk.

Mr. HAYS. Of course, you might become very unpopular with certain people as I did, and get a few nasty letters, if you suggested that one of the ways to avoid that would be for people to go to the store and buy their milk.

Mr. WIDNALL. That is true.

Mr. HAYS. I am not blaming the Department of Agriculture for all the problems of the dairy industry. Heavens knows, I have made plenty of speeches to the dairy industry in which I blamed them for a lot of the problems.

But the only thing I find fault with, here Mr. Morse, and it goes back to before your time, is the fact that you are dealing with the processor, and he can either pass on what you pay to the farmer or not as he pleases, in most cases.

Mr. MERRILL. Don't you watch that now? As you buy from the processor don't you try to see to it that he is paying the producer in line with what you are paying?

Mr. MORSE. We encourage that, but——

Mr. HAYS. But you can't make him do it.

Mr. MORSE. That is not a problem that is peculiar just to the dairy price support but also to other programs where processors are involved.

Mr. HAYS. But you can't force him to do it, is that right? You have no power.

Mr. MORSE. The practical method of accomplishing that is limited.

Mr. HAYS. That is all.

Mr. MUMMA. Mr. Chairman?

The CHAIRMAN. Mr. Mumma.

Mr. MUMMA. Are you a victim of producing your milk in a higher milk area, Mr. Hays, and selling in the Pennsylvania milk area?

Mr. HAYS. No, we are in a tri-State area there, and the tri-State price is set by Pittsburgh, Wheeling, Youngstown, Steubenville. They all get together on it. If you ship to Steubenville you get the same price as if you ship to Pittsburgh. So I only used Pittsburgh because it is commonly in our territory known as the Pittsburgh milkshed.

Mr. MUMMA. I understand.

The CHAIRMAN. Mr. Multer?

Mr. MULTER. Mr. Secretary, I would like to get a few things clarified for the record.

I think you said that Commodity Credit Corporation has to buy eligible crops.

Mr. MORSE. Yes sir; it has to make loans or purchases.

Mr. MULTER. There are further limitations as to eligibility. You have acreage control, and if the farmers violate those controls, you don't buy from them.

Mr. MORSE. That is right.

Mr. MULTER. So there is something basically wrong if the surpluses continued to increase. You don't have proper control of your allocations.

Mr. MORSE. In many instances, the farmer has control of whether he makes his crops eligible.

Mr. MULTER. If he doesn't, make himself eligible you don't buy from him.

Mr. MORSE. That is right, but when these programs are announced the farmer, to a large extent, determines whether he is going to be eligible. He decides whether he will store his grain with the proper moisture, and under acceptable storage, and factors like that, to make himself eligible.

That discretion is up to him.

Mr. MULTER. Did I understand you to say that the price-support program is not a program to support the processor?

Mr. MORSE. It is a program for the support of prices to farmers.

Mr. MULTER. The exception to that rule is what you are doing with the dairy products. There you're supporting the processor. Every time you buy butter and cheese you are supporting the processor rather than the milk producer.

Mr. MORSE. The purchases are made of the milk products, in the places where they are available.

Mr. MULTER. And they are available mostly through other than the milk producer; is that so?

Mr. MORSE. The law provides that supports on milk and butter-fat shall be loans or purchases of processed dairy products. Mr. Farrington, the Solicitor, is here, would you want to comment on that?

Mr. FARRINGTON. I might just say, Congressman——

Mr. MULTER. I am not suggesting you violate the law, but the general statement was made that it is not supposed to be a program to support the processor. I make the point that the exception is the case of the dairy products. There we are supporting the processor.

Mr. MORSE. The law is for the benefit of dairy farmers.

Mr. MULTER. Yes, sir, that is the theory that it is for the benefit of dairy farmers, but we are now proving and have proved for a long time that it is not helping the dairy farmers, but helping the processors. Isn't that the fact?

Mr. MORSE. No, sir, I think you will find that it is very definitely supporting the price to farmers.

Mr. MULTER. Isn't it a fact that the processor, in the dairy field, is getting the bulk of the profit, which he couldn't get if we didn't support his price?

Mr. MORSE. That would become a question of accounting method.

Mr. MULTER. If the Commodity Credit Corporation didn't buy the butter at the support price, it would have to find a market in which it could sell at less than the support price.

Mr. MORSE. And the processor in turn would reduce the price to farmers.

Mr. MULTER. Before he could reduce the price to the farmer, he might have to cut back on some of his profit, unless he wanted to go out of business.

Mr. MORSE. The competition, under the present type of operation, tends to control the margins, and would tend to control the margins under the circumstances of which you speak.

Mr. MULTER. Mention was made of the fact that part of the trouble with the program is lack of storage facilities.

Is that true?

Mr. MORSE. It is true that we are crowding the storage capacity, but our operations have been such in enlarging this storage capacity that the crops are being taken care of.

Mr. MULTER. What are you doing to enlarge the storage capacity?

Mr. MORSE. I testified to that earlier. We have taken steps to add 200 million bushels additional grain-storage capacity to the bins owned by the Commodity Credit Corporation.

Mr. MULTER. That is going to be owned by Commodity Credit Corporation, that additional storage capacity?

Mr. MORSE. Yes, sir. Then, we have entered into guaranteed occupancy contracts for something over 200 million bushels. That will be constructed by private companies. Then, of course, you know we are making use of idle ships for grain storage.

Mr. MULTER. Is this purchase of additional storage capacity by Commodity Credit Corporation a reversal of previous policy?

Mr. MORSE. The buying of additional capacity?

Mr. MULTER. Yes, sir.

Mr. MORSE. No, sir. We have gone out very vigorously, last year, and again this year, in an effort to get farmers to provide adequate storage on their farms. That is definitely to the advantage of farmers. That is encouragement in the direction of sound farm management.

You may be thinking of some of the press interpretations that were tied to the efforts which we launched last year and which have been reemphasize again this year. We have emphasized the fact that farmers, first of all, ought to provide their storage. Commercial storage ought to be provided. It is only when such storage proves inadequate that the Government ought to be providing storage.

Mr. MULTER. After all of that encouragement to farmers, you still found it necessary to purchase this additional 200-million-bushel storage capacity?

Mr. MORSE. Yes, sir.

Mr. MULTER. You are quite right in your statement that I was thinking of some of the interpretations put by the press on things that have been said. I have a quotation attributed to you, June 3, last year, in which you are quoted as saying:

I fear that if the Government must resort to buying bins and putting them up to store corn, you will have to look at them in the future as monuments to the failure of free enterprise.

Now, part of those monuments may be this 200 million additional capacity.

Mr. MORSE. Yes, sir. We are putting up additional bins. I came back from that meeting and voted for buying additional Government storage.

In the first place, farmers are one of the great free enterprise systems of this country.

We have several million of free enterprise farm businesses. What I was trying to say and emphasize, at that meeting, was that farmers

could increase their profits, and should adopt better management, by providing needed storage capacity on their farms.

In addition, there are companies and cooperatives that provide storage capacity and grain-handling facilities commercially, and they ought to come forward and take care of the needs.

Mr. MULTER. They haven't produced enough storage capacity.

Mr. MORSE. That is correct. Last year, and again this year, we have had to expand Government-owned storage capacity.

Mr. MULTER. In your statement, you referred to major products. What products did you have in mind as the major products?

Mr. MORSE, that is on the last page of your statement.

Mr. MORSE. Of course, the outstanding one is wheat, then cotton, and corn and tobacco.

The increased production of rice this year, and the possibility of some adjustments in export outlets, indicates adjustments in price this year.

Mr. MULTER. What has been the historical pattern for borrowing authority?

Mr. MORSE. Mr. Beach can answer that.

Mr. BEACH. The bulk of our use of borrowing power for wheat loans takes place during the marketing season for wheat, which begins in June, and runs through October, the heavy marketing season.

Corn loans don't begin usually until September and October, and run on through January or February of the following calendar year.

Cotton loans begin in August and become heavy along in October and November, and sometimes in September.

The point that must be borne in mind is that generally we have to go on the basis of average over past years as to when these individual crops will go into loan.

If a crop report comes out, as it did last year, indicating an increase in the cotton crop over and above previous estimates, and the price of cotton drops and farmers become frightened at the price prospects and place more of their crops under loan than they ordinarily would, then the timing is all thrown off. In other words, our borrowing authority can go into use much earlier in the crop season than you would normally expect.

Another point is this: In years when a large proportion of the crop goes under price support, then it tends to go under earlier than in years when a smaller proportion goes under price support. In other words, when the price outlook is such that there is no question in farmers' minds as to whether they should wait and see, they go right ahead and put it under loan early.

Mr. MULTER. These estimates which you have furnished to us, which form the basis for your request for this additional borrowing power, are they based on the current price-support program?

Mr. BEACH. They are based entirely, sir, on the price support programs that have already been announced, for 1954 crops. They are based entirely on the price-support levels that have been announced in accordance with the law on basics for 1954 crops.

Mr. MULTER. In accordance with existing law?

Mr. BEACH. Yes, sir.

Mr. MULTER. Not in accordance with the act which has not yet been passed?

Mr. BEACH. No, sir, because this only covers 1954 crops.

Mr. MULTER. Has this bill been cleared with the Budget Bureau?

Mr. BEACH. It has been discussed with them.

Mr. MULTER. Have they indicated whether this is in accord with the President's program?

Mr. BEACH. The President approved the request as it was submitted to the Congress.

Mr. MULTER. I would like to have some explanation of this one further thing. You have indicated that you need this additional money because originally you had in use \$6,100 million, and you estimate that as of June 30, 1954, you will have in use, \$6,400 million.

Now, can't you give us the exact figure as of June 30, as to how much money was in the program?

Mr. MORSE. No, sir; there is a lag in accounting involved.

Mr. MULTER. Is it safe to say it will not go over \$6.4 billion?

Mr. BEACH. We believed that our actual figure as of June 30, 1954, would be approximately \$6.4 billion. The difficulty is not in determining the actual borrowings, but in assembling the information as to loans held by lending agencies, which covers about 10,000 banks, and it takes a little time to do it.

Mr. MULTER. You have indicated that you have used \$846 million more than you have estimated you needed. Yet, you ask for an additional borrowing power of $1\frac{1}{2}$ billion.

Mr. BEACH. The \$846 million is only the additional amount that we have invested on June 30, 1954, over and above what we thought we were going to have invested on that date, when we were up here last winter.

The biggest part of the increase requested is for the increased volume of 1954 crop price support operations that will take place after June 30, 1954.

As Mr. Morse's statement indicated, the corporation is starting off, on the 1954 crop operations, with \$846 million less than it thought it was going to have, and in addition it is going to have to have an additional amount of money to take care of 1954 crop operations over and above what was anticipated.

Mr. MULTER. But that \$846 million is in your total of \$6.4 billion.

Mr. BEACH. Yes, sir.

Mr. MULTER. So if the \$846 million is in your total of \$6.4 billion, leaving you \$2.1 billion, and you estimate you will need another \$900 million, I can't see any justification for asking for an additional $1\frac{1}{2}$ billion. You are still within the \$8.5 billion.

Mr. MORSE. There are some 7 different items that are set out, beginning on page 2 of my statement, that indicate types of developments that have guided us, and that have come in since this increase in borrowing power was obtained earlier in the year. It has been a combination of these considerations that have prompted us to come forward with this additional request.

Mr. BEACH. In further explanation of those figures, sir, the statement indicated, as Mr. Morse stated earlier, that the peak use of borrowing authority, going on the basis of yields as shown in the crop report, would be about \$8.4 billion. That leaves no margin whatsoever for any error of any kind.

The other point that he made is that if, first, those yields as shown in the crop report are less than what actually show up, in other words if we have record yields on some of these other crops—cotton

is not even yet predicted for example—and, second; if we have a smaller amount of repayments and sales of commodities than we anticipate, and also, third, if a larger percentage of the crop goes under price support than we anticipate, as happened last year, then we will probably need a considerably larger amount of borrowing power than \$8.4 billion.

So nothing in the unfavorable side of the picture is estimated except that which has already happened to some degree at some time in the past.

In other words, we are operating within a margin of 2 estimates, say, between 8.4 billion as our minimum estimate, and roughly 9.8 billion as our top estimate. That is the reason for the request for a larger amount of money than you indicated.

Mr. MULTER. Except as to your change of personnel and possibly internal controls, has there been any change in the overall administration of the program as it is being operated now, and as it was operated before?

Mr. MORSE. There have been many administrative changes, but the general framework is set, of course, by law.

Mr. MULTER. Yes, sir.

Mr. MORSE. There is nothing that I would know of that has come into the picture that would increase borrowing power operations.

Mr. MULTER. Your methods of estimating are the same.

Mr. MORSE. Yes, sir.

Mr. MULTER. Your methods of computing what is coming in and what is going out are the same.

Mr. MORSE. Yes, sir.

Mr. MULTER. And the method of making loans is the same? You are using the same banking facilities, and the like?

Mr. MORSE. They are fundamentally the same, yes, sir.

Mr. MULTER. Thank you, Mr. Chairman.

The CHAIRMAN. Are there further questions?

If not, Mr. Morse, we are very appreciative of your testimony.

Without objection, we will stand in recess and go into executive session on the bill tomorrow morning.

Mr. MORSE. Thank you, Mr. Chairman, it has been a pleasure to have been before your committee again.

(Whereupon, at 12:27 p. m., the committee adjourned to reconvene in executive session the following day, July 16; 1954.)

to permit Federal release of reversionary rights of certain property for school purposes in Kern County, Calif.

Also considered, but took no action on, S. 2548, re national grazing lands; S. 2313, re wool regulations under Commodity Exchange Act; H. R. 6878, re purchase of fungible goods from CCC; and H. R. 8879, re Farm Credit Administration loans.

CCC BORROWING POWER

Committee on Banking and Currency: Ordered reported to the House H. R. 9756, to increase borrowing power of the Commodity Credit Corporation from \$8.5 billion to \$10 billion.

CREDIT UNIONS

Committee on the District of Columbia: The Talle subcommittee approved for reporting to the full committee S. 3683, transferring the supervision of D. C. credit unions from the Comptroller of the Currency (Treasury) to the Director of the Bureau of Federal Credit Unions, Department of Health, Education, and Welfare. The bill also fixes license fees to the District for such credit unions, of \$5 a year.

Speaking in support of the proposed transfer were W. M. Taylor, Deputy Comptroller of the Currency; J. Deane Gannon, Director of Bureau of Federal Credit Unions (HEW); and Herbert N. Rhodes, representing the Credit Union National Association.

GOVERNMENT IN BUSINESS

Committee on Government Operations: Held further hearings on H. R. 8832, and related bills, to terminate or limit Government activities which are conducted in competition with private enterprise, and to establish an Anti-Government-Competition Board. Representatives of business and industrial groups testified for the third day in connection with the proposed legislation. Departmental witnesses are scheduled to resume at Monday's session on the subject.

INDIANS

Committee on Interior and Insular Affairs: The Berry subcommittee ordered the following Indian bills reported to the full committee—

H. R. 2233, amended, to provide for Federal acquisition of lands required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Cheyenne River Sioux Reservation, S. Dak.;

H. R. 7290, to authorize an appropriation for the construction of certain public-school facilities on the Klamath Indian Reservation at Chiloquin, Oreg.;

H. R. 8365, declares valid all patents-in-fee heretofore issued to the Mission Indians in the State of California notwithstanding issuance prior to the expiration of the trust period existing with respect to a trust patent;

S. 2744, to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas;

S. 2745, amended, to provide for termination of Federal supervision over property of Klamath Tribe of Indians of Oregon;

S. 2746, amended, to provide for termination of Federal supervision over property of certain tribes of Indians located in western Oregon; and

S. 3532, amended, distribution of assets of Ute Tribe of Uintah and Ouray Reservation in Utah.

U. S. CARGO VESSELS—OFFICERS' BENEFITS

Committee on Merchant Marine and Fisheries: In executive session ordered reported to the House S. 3233, to provide permanent legislation for the transportation of a substantial portion of waterborne cargoes in U. S.-flag vessels. The bill was amended so as to exempt cargoes on ships of the Panama Canal Company.

Also ordered reported S. 2389, granting commissioned officers of Coast and Geodetic Survey certain military benefits and rights during time of war. Tabled H. R. 6316, a companion bill.

FEDERAL EMPLOYEES

Committee on Post Office and Civil Service: Ordered reported favorably to the House S. 2665, the Federal employees' pay and classification bill for 1954 (the so-called fringe benefits bill). A committee amendment strikes out the Senate text and inserts language approved by the committee during consideration of Chairman Rees' bill, H. R. 8093. The committee amendment provides—

A 5-percent increase on the minimum rate of each grade, through grade GS-17, of all employees paid under the Classification Act of 1949, with a minimum increase to each employee of \$180 a year. The bill also provides an increase of 5 percent for legislative employees with no minimum provision.

Makes certain additional changes in premium compensation, leave, longevity, uniform allowance, and other employee benefits.

The number of supergrade positions provided by the Classification Act (now 400) is increased to 550, apportioned as follows: GS-18, 31; GS-17, 123; and GS-16, 396.

Longevity-step increases presently provided for employees through grade GS-10 are provided under the bill for employees through grade GS-15. These longevity steps are in the same amount as the present within-grade promotion steps, except that for GS-15, which has within-grade promotion steps of \$250 each, the longevity increase will be \$200. No employees in grades GS-11 through GS-15, under the provisions of the bill, may count past service for more than one longevity step increase.

The Civil Service Commission is authorized to recruit qualified employees above the minimum rate of the grade for the position to which appointment is made in cases where a sufficient number of qualified eligibles cannot be secured at the regular entrance rate.

Provides for abolishing the Crafts, Protective, and Custodial (CPC) schedule. The 115,000 employees paid under this schedule will be divided into 2 groups. The first group consists of approximately 65,000, who will have their pay set by local

wage boards. The second group comprises approximately 50,000, who will be paid under Classification Act schedules. This will be worked out over a period of time by the Civil Service Commission under procedures provided for in the bill.

Provides a system of premium compensation for classified employees. This includes overtime compensation at $1\frac{1}{2}$ times the regular rate of basic compensation not in excess of the top salary grade for GS-9 (\$5,810) or the regular straight-time rate, whichever is greater; night differential at the rate of 10 percent of the regular rate of basic compensation; holiday pay (not overtime) at a rate equal to the regular pay in addition to such regular pay; and standby time at appropriate rates determined by department heads with the approval of the Civil Service Commission (except for fire fighters) not in excess of 25 percent of the regular rate of basic compensation for GS-9. Fire fighters will receive the premium compensation benefits, but are not restricted by the 25 percent minimum. No premium pay may apply to raise the compensation of an individual to more than \$12,800.

The bill also contains a section on an incentive-awards program similar to the one contained in the Senate bill and to H. R. 7774.

It includes a provision whereby employees who are passed over on civil-service employment registers solely because of their sex, may appeal to the Civil Service Commission.

The present requirement that accumulated annual leave be liquidated down to 30 days is lifted and classified and postal employees may, under the bill, accumulate up to 60 days (90 days for those outside the U. S.) but may not be paid upon termination for more than 30 days plus current accrued leave. The language of this section is identical to H. R. 7202 (see attached).

Employees required to wear uniforms will be paid a uniform allowance to cover the cost of such uniforms up to \$100 annually.

The committee amendment does not include any provision for repeal or modification of the present law which relates to appointments, promotions, and reinstatements on a temporary basis. Originally H. R. 8093 did contain a repeal provision. Since the Senate bill (S. 2665) contains a provision for completely repealing it, the whole matter may be considered in the conference on the bill.

STAR ROUTES—DUAL COMPENSATION—

PERFORMANCE RATINGS—POSTAL

TRANSPORTATION

Committee on Post Office and Civil Service: Approved the following bills for reporting to the House—

S. 1244, relating to the renewal of contracts for the carrying of mail on star routes; and

H. R. 5718, to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws.

Also approved the following reports submitted by subcommittees on studies made in this Congress—(1) Performance rating plans in the Federal Government, by the Subcommittee on Civil Service, Representative Hagen, chairman; and (2) Survey and study of postal transportation, by the Subcommittee on Postal Operations, Representative St. George, chairman.

Joint Committee Meetings

HOUSING

Conferees, in executive session, agreed to file a conference report on the differences between the Senate-

and House-passed versions of H. R. 7839, to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities. Included in agreements reached by the conferees today are the following:

(1) Public housing—agreed to a 1-year extension of public housing—35,000 units—limited to those localities which have an acceptable slum clearance or urban renewal program, and limited to those persons dispossessed or displaced by either local, State, or Federal housing;

(2) FNMA—Senate conferees accepted the House provisions on FNMA with minor amendments;

(3) Section 814 of bill, certification by lender of soundness of loan—deleted from bill;

(4) Section 815, cost certification—deleted from bill;

(5) House conferees accepted Senate amendments to the following sections of the bill, with amendments:

(a) Section 816, records required to be kept by local public housing administrations, (b) Section 817, requirement of submission of specifications by local public housing administrations, and (c) Section 818, authorizing Comptroller General to audit books of local public housing administrations;

(6) Section 819 of bill, requiring authorization by HHFA for advertisement of Government participation in housing projects—deleted from bill (provision in other section of the bill); and

(7) Section 820, report to Congress of information on housing by HHFA and constituent agencies—adopted by conferees with amendment.

TAX REVISION

Conferees continued in executive session to resolve the differences between the Senate- and House-passed versions of H. R. 8300, general tax revision, reaching agreement that House recede from its disagreement on Senate amendment to section 613, relating to percentage depletion. Conferees recessed subject to call of the Chair.

SOIL CONSERVATION

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 6788, to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation. As agreed, the conferees substantially accepted the Senate version of the bill with the following major changes:

(1) Struck out provision that dams providing a total capacity of 2,000 to 5,000 acre-feet must be approved by Congress, and substituted therefor a provision barring appropriations for plans including structures having total capacity of between 2,500 and 5,000 acre-feet, unless approved by the Senate and House Committees on Agriculture;

INCREASING THE BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

JULY 17, 1954.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WOLCOTT, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany H. R. 9756]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 9756) to increase the borrowing power of the Commodity Credit Corporation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to increase the borrowing authority of the Commodity Credit Corporation from \$8,500 million to \$10,000 million in order to assure ability of the Corporation to carry out existing commitments by the Government for price support on 1954 crops at least through January 1955.

GENERAL STATEMENT

The Commodity Credit Corporation is the instrumentality through which the Government extends price support on farm commodities, in accordance with existing legislation, by making loans, purchase agreements, and purchases. While price-support operations constitute the principal activity of the Corporation, it also operates a storage facilities program, a commodity export program, a supply and foreign purchase program, and engages in other activities authorized by Congress. The various programs carried out by the Corporation are fully described in the President's budget each year, and are within the framework of laws enacted by Congress.

The Corporation is managed by a Board of Directors, which is appointed by the President and confirmed by the Senate and which is

subject to the general supervision of the Secretary of Agriculture, who is, ex officio, a director and Chairman of the Board.

It operates under a Federal charter and utilizes private trade facilities, including banks, cooperatives, commercial warehouses, and others, to the maximum extent practicable.

The financial resources of the Corporation are its authorized capital stock of \$100 million, all held by the United States, and its authority to borrow up to \$8.5 billion. With respect to its borrowing power, the Commodity Credit Corporation Charter Act requires—

* * * The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes or other obligations evidencing loans made by such agencies under the Corporation's programs (15 U. S. C. 714b (i)).

As of May 31, 1954, the actual amount of borrowing power in use was as follows:

	<i>Million</i>
Borrowing from U. S. Treasury.....	\$4, 046
Loans held by lending agencies:	
Individual loans.....	552
Certificates of interest.....	1, 540
Total.....	2, 092
Grand total.....	6, 138

The Department estimated that \$6.4 billion of its borrowing authority was in use as of June 30, 1954.

The bill under consideration would increase the borrowing authority of the Corporation from \$8.5 billion to \$10 billion in order to make it possible for the Corporation to carry the investment resulting from 1953 and prior-crop price-support operations and the additional investment which is estimated will result from carrying out existing commitments for price support for 1954 crops. While Department representatives testified during hearings before your committee that it was their belief that a borrowing power of \$10 billion would enable the Corporation to complete 1954 crop operations and operate until 1955 crops start to move next year, they emphasized that too little is yet known as to 1954-crop production, and the portion thereof that will be placed under price support to be certain. It was their expressed belief that under the most unfavorable assumptions the Department had made with respect to demands on the Corporation's resources, a borrowing power of \$10 billion should cover operations until Congress returns in January.

There have been a number of important developments since Congress approved the increase in CCC borrowing power to \$8.5 billion in March 1954 which will have a definite bearing on the demands against the financial resources of the Corporation. These include:

1. Prices of farm products, which had held relatively stable for 16 months within a range of 15 points, declined sharply from May to June of this year. A seasonal decline was expected, but was more than anticipated. Relatively stable farm prices are expected for the rest of the year.

2. The decline in exports of farm products appears to have been checked, and some increase over exports last year has occurred.

3. Another big crop is in prospect. Most of the wheat and other small grain crops have either been harvested or are far enough advanced to be certain of good yields. A big hay crop has largely been harvested.

4. Reductions in cotton, corn, and wheat allotments did not cause any appreciable diversion of acreage out of crops. The total crop acreage planted is 99.7 percent of that for 1953 and the estimated acreage to be harvested is 100.3 percent of that for 1953.

5. There has not yet been developed a practical plan for disposing of butter, cheese, and dried nonfat milk without involving large costs and losses. The present outlet for dried milk will not be available beyond this summer because of possible serious interference with other protein feed markets.

6. Larger percentages of the 1953 crops of several major commodities were placed under price support than expected. In several instances the percentage was higher than ever before.

7. A larger proportion of the commodities placed under price support was acquired in most instances than in past years. This situation reflects the fact that as supplies build up, more of the total production goes into the price-support program, less redemptions are made, and more commodities are acquired by the Commodity Credit Corporation. At the same time, domestic sales of inventories held by the Commodity Credit Corporation decline.

The Corporation will begin 1954-crop operations with \$846 million less available borrowing power than estimated at the time the increase to \$8.5 billion was discussed. In addition to having \$846 million less borrowing power available at the beginning of the current fiscal year than was earlier anticipated, the Department currently estimates that at least \$900 million more borrowing power will be required to cover operations during the fiscal year 1955 (on 1954 and prior-year crops) than was anticipated. This amount reflects larger amounts of loans and purchases and more carrying charges than expected and is estimated on the basis of the production outlook indicated by the crop report issued July 9, 1954.

This report indicated for corn practically no reduction in the total acreage, a near-record yield and the second largest crop of record. It indicated a record yield per acre for wheat, barley, and rye and a near-record yield for oats and dry beans. It indicated larger acreages than at any time since the 1947 crops for rice, flaxseed, sorghums, and soybeans. Overall, it indicated a volume of crops in 1954 virtually as large as in 1952 and 1953 and only about 3 percent less than the 1948 record. A record all-crop yield is expected. Current planted acreage estimates are 2.9 million acres above the March Prospective Planting Report and only three-tenths of 1 percent under 1953 planted acreages. This outlook, combined with the larger stocks of most of these commodities now overhanging the market, make it apparent that the volume of price-support loans and purchases necessary to carry out the commitments on 1954 crops will be extremely heavy.

Using the production estimates contained in the July 9, 1954, crop report, and assuming a continued stable general price level, the Department estimated that the peak use of borrowing power in the current fiscal year will be at least \$8.4 billion in January 1955. Assuming (1) record yields per acre on crops for which the July 9 crop report does not predict record yields, (2) at least as large a percentage of the total

crop placed under CCC loan as has been placed under price support in the past, and (3) general economic and farm price conditions resulting in less repayments on loans and sales of inventories than anticipated, the use of borrowing power could reach \$9.8 billion in January 1955 and could exceed \$8.5 billion in November.

If circumstances are such that the timing of loans and purchases cause more borrowing power to be used earlier in the marketing season for major crops than has been the historical pattern, the peak use of borrowing power might be approached before January 1955. An indication of the rapidity with which the use of borrowing power can increase was the experience during the period August–December 1953. During that 5-month period, the borrowing power in use increased by \$2.5 billion. This increase was approximately twice as great as the Department had estimated in July 1953.

Since the price-support program for 1954 crops has been announced within the framework of existing legislation, the Commodity Credit Corporation is in the position of having made an open offer to make loans or purchases at the applicable support price on any eligible quantity of the commodity which may be produced in a crop year. For the major crops, for which the larger part of the borrowing power is used, the level of support prices applicable to 1954-crop price-support operations are those fixed by existing law. Once the crop is produced, the Corporation has no control over the proportion of the total crop eligible for support that it may be required to finance through loans or purchases. Changes in weather conditions and other factors influencing production, export trends, prices of related commodities, and general business conditions are unpredictable and uncontrollable factors which affect the quantity of commodities to be offered for price support, the timing of the demands made on the Corporation's resources, and the extent to which the Corporation may be able to reduce its investment resulting from prior-year operations. These, in turn, are the major factors which determine when and how much borrowing power the Corporation will be required to use.

Since the Congress, by prescribing the conditions under which the prices of individual commodities shall be supported and the levels of such price support, has clearly indicated the policy it desires the Corporation to follow with respect to 1954 crops, financial resources must be provided to enable the Corporation to perform the required operations.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF MARCH 8, 1938, AS AMENDED

* * * * *

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding **[\$8,500,000,000]** *\$10,000,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in

such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In any event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

* * * * *

COMMODITY CREDIT CORPORATION CHARTER ACT

* * * * *

SEC. 4. GENERAL POWERS.—The Corporation

* * * * *

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate **[\$8,500,000,000]** *\$10,000,000,000*. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

* * * * *

H. R. 9756

[Report No. 2269]

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 1954

Mr. WOLCOTT introduced the following bill; which was referred to the Committee on Banking and Currency

JULY 17, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To increase the borrowing power of Commodity Credit Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 4 of the Act approved March 8, 1938 (52
4 Stat. 108), as amended, is amended by striking out “\$8,500,-
5 000,000” and inserting in lieu thereof “\$10,000,000,000”.

6 SEC. 2. Section 4 (i) of the Commodity Credit Cor-
7 poration Charter Act (62 Stat. 1070), as amended, is
8 amended by striking out “\$8,500,000,000” and inserting in
9 lieu thereof “\$10,000,000,000”.

Union Calendar No. 790

83^d CONGRESS
2^d Session

H. R. 9756

[Report No. 2269]

A BILL

To increase the borrowing power of Commodity
Credit Corporation.

By Mr. WOLCOTT

JUNE 30, 1954

Referred to the Committee on Banking and Currency

JULY 17, 1954

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

CONSIDERATION OF H. R. 9756

JULY 19, 1954.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 644]

The Committee on Rules, having had under consideration House Resolution 644, report the same to the House with the recommendation that the resolution do pass.

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House Calendar No. 250

83^D CONGRESS
2^D SESSION

H. RES. 644

[Report No. 2294]

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H. R. 9756) to
5 increase the borrowing power of Commodity Credit Corpo-
6 ration. After general debate, which shall be confined to the
7 bill, and shall continue not to exceed one hour, to be equally
8 divided and controlled by the chairman and ranking minority
9 member of the Committee on Banking and Currency, the
10 bill shall be read for amendment under the five-minute rule.
11 At the conclusion of the consideration of the bill for amend-
12 ment, the Committee shall rise and report the bill to the

- 1 House with such amendments as may have been adopted, and
2 the previous question shall be considered as ordered on the
3 bill and amendments thereto to final passage without inter-
4 vening motion except one motion to recommit.

House Calendar No. 250

83^d CONGRESS
2^d SESSION

H. RES. 644

[Report No. 2294]

RESOLUTION

Providing for the consideration of H. R. 9756,
a bill to increase the borrowing power of
Commodity Credit Corporation.

By Mr. ALLEN of Illinois

JUNY 19, 1954

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 22, 1954
For actions of July 21, 1954
83rd-2nd, No. 137

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HIGHLIGHTS: House agreed to debate bill to increase CCC borrowing authority. House agreed to debate omnibus flood control bill. House Rules Committee cleared water-facilities loans bill. House defeated bill to increase postal pay and rates. Conferees agreed on tax revision bill.

HOUSE

1. CCC BORROWING POWER. Agreed to a resolution for consideration of H. R. 9756, to increase the borrowing power of CCC by \$1 $\frac{1}{2}$ billion additional (pp. 10683-4).
2. FLOOD CONTROL. Agreed to a resolution for consideration of H. R. 9859, the omnibus flood control bill, which includes a \$20,000,000 authorization for this Department (p. 10682).
3. EXPORT-IMPORT BANK. Agreed to a resolution for consideration of S. 3589, to provide for independent management of the Export-Import Bank (pp. 10684-5).
4. WATER FACILITIES LOANS. The Rules Committee reported a resolution for consideration of S. 3137, to liberalize the Water Facilities Act (p. 10696).
5. GOVERNMENT COMPETITION. The Government Operations Committee reported with amendment H. R. 9835, to provide for termination of Government operations which are in competition with private enterprise (H. Rept. 2441)(p. 10696).
6. POSTAL RATES AND PAY. By a vote of 228 to 171, rejected a motion to suspend the rules and pass H. R. 9245, to increase postal rates and the pay of postal

employees (pp. 10654-71). (Although a majority voted in favor of the bill, a two-thirds majority was necessary, because the bill was brought up under a motion to suspend the rules instead of being first cleared with the Rules Committee.)

It was announced that a sufficient number of signatures have been obtained on a motion to discharge the Rules Committee from further consideration of a bill to increase postal pay by a larger amount than provided in H. R. 9245 and to make no change in postal rates (pp. 10694-5).

7. EDUCATION. Passed without amendment, 399-0, H. R. 9888, extending the time for initiating training under the Korean GI bill of rights for 1 year (pp. 10637-42).

Agreed to the conference reports on H. R. 9040, to authorize cooperative research in education, and H. R. 7434, to establish a National Advisory Committee on Education (p. 10678). These bills will now be sent to the President.

8. PUBLIC LANDS; MINERALS. Passed without amendment S. 2380 and S. 2381, to amend the Mineral Leasing Act in order to promote development of oil and gas on the public domain (p. 10674).

House conferees were appointed on S. 3344, to provide for multiple mineral development of the same tracts of public lands (p. 10676). Senate conferees have been appointed.

9. FORESTRY. Requested the Senate to return H. R. 6393, approving a forest fire compact, for correction of the bill number (p. 10637).

10. RECLAMATION. Agreed to the conference report on H. R. 4854, to authorize the Foster Creek division, Wash. (p. 10676). This bill will now be sent to the President.

The Rules Committee reported a resolution for consideration of H. R. 8384, to authorize the Talent division, Oreg. (p. 10695).

11. LAND TRANSFER. The Agriculture Committee reported with amendment H. J. Res. 550, to release reversionary rights to a tract of former FHA land in Kern County, Calif. (H. Rept. 2428)(p. 10695).

12. PATENTS. The Rules Committee reported a resolution for consideration of H. R. 3534, to authorize extension of patents in certain situations (pp. 10695-6).

SENATE

13. PROPERTY; TAXATION; REPORTS. The Government Operations Committee reported with amendments H. R. 5605, to amend the Federal Property and Administrative Services Act to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such property from local tax rolls (S. Rept. 1966); and H. R. 6290, to discontinue various requirements for reports to Congress, etc. (S. Rept. 1968)(p. 10700).

14. ATOMIC ENERGY. Continued debate on S. 3690, to amend the Atomic Energy Act (pp. 10707, 10715-55, 10758-88).

Agreed to a modified Ferguson amendment providing that authority of AEC to enter into contracts or modify or confirm existing contracts for electric power includes, in case such service is to be furnished to AEC by TVA, authority to contract with any person to furnish such power to TVA in replacement thereof, and requiring any contract hereafter entered into by AEC to be submitted to the Joint Committee on Atomic Energy 30 days before becoming effective. Agreed, 56-35, to Sen. Knowland's motion to lay on the table a motion to reconsider this vote. (pp. 10771-2.)

House Resolution 651 provides for an open rule, waiving points of order with 1 hour of general debate.

Specifically H. R. 9785 would, if enacted into law, direct the Secretary of the Army to investigate and settle claims insofar as they relate to the determination of the amount of damages suffered by each claimant because of property damage, death, or personal injury or because of subrogated insurance payments resulting from the explosions.

The bill also requires claimants to submit their claims in writing to the Secretary of the Army within 180 days and on the other side the Secretary of the Army is required to prescribe rules of procedure within 60 days thereafter and to adjudicate and determine the individual claims within 12 months of their submission.

H. R. 9785 also specifies that the law of Texas, unless otherwise provided for in the bill, shall govern the Secretary in carrying out his duties under the provisions of the act. No claim is to be approved for payment in an amount in excess of \$10,000.

In addition to the above-mentioned provisions the bill specifies that amounts paid on death claims shall not, because of the limitation of \$10,000 in section 4, be subject to insurance subrogation claims in any respect.

According to the report on this bill, however, the Secretary when determining the payments to be made to compensate for injury or personal property losses, will take into consideration the insurance benefits previously paid on these losses by insurance companies. The Secretary, if the bill becomes law, would also approve for payment, claims of subrogated insurers in sums not to exceed 50 percent of the amounts paid out by said companies to beneficiaries.

The bill finally provides that all settlements made under the terms laid down in H. R. 9785 shall be in full discharge of all claims against the Government of the United States.

Mr. Speaker, I have very briefly outlined some of the major provisions contained in this bill. There are numerous other smaller points which, no doubt, will be brought out later. However, the point I want to make here, and the only point I want to make, is that the Government of the United States was definitely at fault and definitely negligent in the handling of these highly dangerous fertilizers. I think that there can be little disagreement that the United States should make some settlement on the people who were the unfortunate and innocent victims of this disaster. I hope that the rule will be adopted on this bill and that the bill will pass.

Mr. Speaker, I yield the gentleman from Virginia [Mr. SMITH] 30 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I have no objection to the passage of the rule and I have no desire to consume any time.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INCREASING BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 644 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and yield myself such time as I may desire.

Mr. Speaker, I rise to urge the adoption of House Resolution 644, which will make in order the consideration of the bill, H. R. 9756, to increase the borrowing power of Commodity Credit Corporation.

House Resolution 644 provides for an open rule with 1 hour of general debate on the bill.

Mr. Speaker, H. R. 9756 proposes to increase the borrowing authority of the Commodity Credit Corporation from \$8,500,000,000 to \$10 billion, in order that the corporation may be able to carry out existing commitments that the Government has made for price supports on 1954 crops until at least January 1955.

As we all know, the Commodity Credit Corporation also operates a storage facilities program, a commodity export program, and a supply and foreign purchase program.

According to the report on this bill, Mr. Speaker, a number of factors have contributed to the present situation. First of all prices of farm products declined sharply from May to June of this year. However it is anticipated that they will remain relatively stable for the rest of the year.

Secondly, another big crop is expected to be harvested in the United States this year, and the reductions in cotton, corn and wheat allotments did not cause any appreciable diversion of acreage out of crops.

A third very important factor in this Commodity Credit Corporation problem is that we still have not developed a sufficiently comprehensive plan for disposing of butter, cheese and dried nonfat milk without having it entail large expenditures and losses.

The final important factor is that larger percentages of the 1953 crops of several major commodities were placed

under price support than had been anticipated.

I think these developments in recent months explain just why this increase in the borrowing power of the Commodity Credit Corporation is felt to be necessary. I hope that the House membership will see fit to adopt the rule on this bill.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, H. R. 9756 would increase the borrowing power of the Commodity Credit Corporation by \$1.5 billion to \$10 billion. The Commodity Credit Corporation is perhaps the most important of all the agencies of the United States Government in maintaining the economic health of the Nation, and, of course, particularly that of the farmers. It is the instrumentality through which the Government extends price support on farm commodities, in accordance with existing legislation, by making loans, purchase agreements, and purchases.

At the present the Corporation has a borrowing power of \$8,500,000,000. This means that Congress has placed a limit of \$8½ billion on the amount the Corporation may owe the United States Treasury or banks at any one time. The limit applies to the sum of actual borrowings and obligations on the part of the Corporation to reimburse banks for CCC loans. Such banks make loans with their own funds as lending agencies of the Corporation.

Although we placed this limit on the Corporation's financial resources, we have by laws which we have passed directed the Corporation to carry out price-support operations for farmers. We have said that the Corporation shall carry out these operations because we recognize clearly the key importance of a sound and prosperous farm economy to the prosperity of the Nation as a whole.

Increased borrowing power of the Corporation is necessary to provide a margin of safety to assure continuance of its operations. If it is not needed, it will not be used.

Larger percentages of the 1953 crops of several major commodities were placed under price support than expected. In several instances the percentage was higher than ever before.

For the major crops, for which the larger part of the borrowing power is used, the level of support prices applicable to the 1954 crop price-support operations are those fixed by existing law. The Corporation has no control over the quantity that may be offered to it for price support.

A good deal of unfavorable publicity has been given both as to the cost of the price-support program and the size of our agricultural surplus. It is true that the Federal Government has loaned out between six and seven billion dollars to farmers who have pledged their crops as security. Much of this money will be returned to the Government when the farmers sell their crops. These crops consist of about a year's supply of wheat, a few months' supply of corn and cotton,

some cottonseed oil, and a few weeks' supply of butter, cheese, and dried milk. Viewed against a background of 165 million Americans, these stocks are not large—only about \$40 per capita. Two or three years of drought—as in the 1930's—would wipe out our surpluses. Twice in 15 years similar surpluses have proven strategic reserves in a national emergency.

Over a span of more than 20 years, from October 17, 1933, to December 31, 1953, the losses suffered in connection with the price-support program for basic commodities—cotton, corn, wheat, rice, peanuts, and tobacco—were \$63,567,684. By supporting cotton the Government made a profit of \$268,267,506. Tobacco netted a profit of \$1,688,874. Relatively small losses, considering the size of the program, were experienced on corn, wheat, and peanuts.

The large losses experienced by the Commodity Credit Corporation in its price-support program have been experienced on supporting the nonbasic commodities. The loss on the nonbasic commodities was approximately \$1,250,000,000. Almost half of a billion dollars was lost in supporting Irish potatoes. This is a program on which I always had a great deal of reservation. As you know, this program was terminated several years ago. Price supports on eggs cost the Government almost \$200 million. Eggs are no longer being purchased. During the war, as an emergency wartime program, the Commodity Credit Corporation undertook to stimulate production of flax in order to assure this country of an adequate supply of linseed oil. The cost of this program amounted to approximately \$100 million. I believe that the results of the flax program justified this expenditure for national defense.

Even with losses on these items, the actual cost to the American taxpayer of the farm-support program since its inception has averaged only 35 cents per person per year. This is mighty cheap famine insurance.

Now, Mr. Speaker, I should like to address my remarks to some of my urban colleagues who have been critical of the price-support program. For the past 3 years the American farmer has experienced a steady decline in income. In 1953 net farm income was about 7.5 percent below that of 1952. The welfare of the American economy is directly related to the prosperity of the American farmer. The farmer is one of the largest consumers of the products of industry. Farmers, for example, use annually more steel than the passenger-automobile industry—7 million tons of finished steel; more petroleum than any other industry—16½ billion gallons of crude; rubber enough to put tires on 6 million automobiles—320 million pounds of raw rubber; and enough electric power to supply Chicago, Detroit, Baltimore, and Houston.

Throughout our history economic downturns in our economy have first appeared upon the farm. When farm prices fall, farmers tighten their belts. They cut their purchases of household goods, of farm equipment, and supplies.

Business on a thousand small-town main streets languishes. Soon manufacturers of goods used by farmers start to cut back. They lay off workers, who have to tighten their belts. They buy less bread and milk, fewer shirts and sheets. And farm prices go still lower. I fear that we may now be following this tragic pattern. Industry production, as measured by the Federal Reserve Board index, has declined from 136 in June 1953 to 124 in June 1954. Unemployment has reached 3.5 million. Much of this business decline and unemployment is centered in industries which must depend on the farmers for a substantial percentage of their market. In light of these facts, I believe that it was exceedingly shortsighted for this House to vote to end 90-percent mandatory price supports. I feel that the stand of the Secretary of Agriculture against mandatory price supports is exceedingly unwise.

It is the contention of the opponents of mandatory price supports that they raise prices for the consumers. That is not the case. Farm prices bear little relation to retail food prices. Since 1947 farm prices have fallen from 115 percent of parity to 90 percent of parity. Retail food prices have not retreated at all. In 1947, the farmer received 51 cents of the consumer's food dollar; in 1953, his share was 44 cents. The difference was absorbed by middlemen.

Despite price supports, an average city worker can buy more food with an hour's wages today than in 1914. A few comparisons:

	1914	1953
Bread.....pounds..	3.5	10.7
Butter.....do.....	.6	2.2
Pork chops.....do.....	1.0	2.0
Eggs.....dozens.....	.6	2.7
Potatoes.....pounds.....	12.8	31.8
Round steak.....do.....	.9	2.0

In closing I should like to quote from the unanimous bipartisan report of the Joint Committee on the Economic Report:

Whatever the merits of flexible supports and modern parity may or may not be as a long-run program it is questionable whether their contribution at this time will act to sustain farm income in the months immediately ahead when the threat to our economic stability is so generally recognized. On the contrary, it seems more likely that the proposed shift to "Modernized parity" at this particular time would be an unnecessary disrupting factor.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 645, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3589) to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the Bank on the National Advisory Council on International Monetary and Financial Problems and to increase the Bank's lending authority. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and yield myself such time as I may desire.

Mr. Speaker, I rise to urge the adoption of House Resolution 645 which will make in order the consideration of the bill, S. 3589, to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority.

House Resolution 645 provides for an open rule with 1 hour of general debate on the bill itself.

Mr. Speaker, S. 3589 reaffirms the status of the Export-Import Bank as an independent agency of the United States.

The bill would provide for the appointment of a president and a first vice president of the Export-Import Bank by the President by and with the advice and consent of the Senate. The president of the bank would receive a salary of \$17,000 annually and the vice president would receive \$16,000.

In addition to the above provisions a five-man board of directors would be created and this board would have the full responsibility for the policies and management of the bank.

A nine-member advisory committee, chosen by the Board of Directors from production, commerce, finance, agriculture and labor is created by the bill to advise with the bank on its program.

The bill also provides that the President of the Export-Import Bank will become a member of the National Advisory Council on International Monetary and Financial Problems.

Finally the present lending authority of \$4½ billion is increased by \$500 million which brings the loan limit up to \$5 billion.

Mr. Speaker, the report on this bill emphasizes the points that the bank is designed to give to businesses of the United States, no matter what their size, adequate facilities for financing and facilitating our trade in world markets, and it specifies that there should be no limitation upon the lending authority of the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of July 28, 1954
83rd-2nd, No. 143

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HIGHLIGHTS: House passed mutual security appropriation bill. House agreed to conference report on tax revision bill. Senate concurred in House amendments to water-facilities loans bill. Senate agreed to conference report on housing bill. House debated bill to increase CCC borrowing power. Senate debated mutual security authorization bill. Senate confirmed Butz nomination. Senate committee reported bill for uniform system of incentive awards. Sens. Butler and Kuchel criticized rigid price supports. Sens. Symington urged drought relief. Rep. Hope explained watershed bill.

HOUSE

1. MUTUAL SECURITY APPROPRIATION BILL, 1955. Passed, 266-128, with amendments this bill, H. R. 10051 (pp. 11757-8).
2. TAXATION. By a 315-77 vote, agreed to the conference report on H. R. 8300, to revise the internal revenue laws (pp. 11758-67, 11769). The bill includes a provision allowing farmers to deduct expenditures for soil-water conservation as expense rather than capitalization.
3. COMMODITY CREDIT CORPORATION. Began debate on H. R. 9756, increasing the borrowing power of CCC from \$8,500,000,000 to \$10,000,000,000. Rejected, 29-53, an amendment by Rep. Patman to prohibit CCC from financing outside the Treasury at an interest cost greater than $1\frac{1}{4}$ times its cost of financing with the Treasury on borrowings of comparable maturity. Rejected, by a division vote of 72 to 5, a motion by Rep. Multer to recommit the bill with instructions for the insertion of this amendment. Rep. Javits objected to this report on the ground that a quorum was not present, and the matter is to be considered further today. (pp. 11787-95).
4. EXPORT-IMPORT BANK. Passed without amendment S. 3589, to provide for independent management of the Export-Import Bank under a Board of Directors, to provide for representation of the Bank on the National Advisory Council on International

Monetary and Financial Problems, and to increase the Bank's lending authority (p. 11787). This bill will now be sent to the President.

5. RECLAMATION. Rejected, 188-196, a resolution for consideration of H. R. 236, to authorize the Fryingpan-Arkansas project, Colo. (pp. 11777-87).
6. ATOMIC ENERGY. House and Senate conferees were appointed on H. R. 9757, the atomic energy bill (pp. 11771, 11872).
7. FARM PROGRAM. Rep. Madden criticized the Administration's farm program (p. 11801).
8. TRADE AGREEMENTS. Rep. Saylor criticized GATT and administration of the trade-agreements law (pp. 11801-5).

SENATE

9. WATER-FACILITIES LOANS. Concurred in the House amendments to S. 3137, to amend the Water Facilities Act so as to extend the program to the entire country, increase the authorized amount of individual loans, permit insured loans, and authorize loans for soil-conservation purposes (p. 11886). This bill will now be sent to the President.
10. HOUSING. By a 59-21 vote, agreed to the conference report on H. R. 7839, the omnibus housing bill (pp. 11824-66, 11868-70, 11873-84). This bill will now be sent to the President. The bill includes authorization of \$100,000,000 additional for the farm housing program administered by this Department, together with additional authorizations for contributions under this program.
11. FOREIGN AID. Began debate on H. R. 9678, the mutual security authorization bill for 1955 (pp. 11814, 11818-24, 11886-7).
12. NOMINATION of Earl L. Butz, to be Assistant Secretary of Agriculture, was unanimously confirmed without debate (p. 11817).
13. INCENTIVE AWARDS. The Post Office and Civil Service Committee reported with amendments H. R. 7774, to establish a uniform system for granting incentive awards to officers and employees of the Government (S. Rept. 1993)(p. 11809).
14. MONOPOLIES. The Rules and Administration Committee reported with additional amendment S. Res. 14, authorizing a study of the antitrust laws and their administration, interpretation, and effect (S. Rept. 1989)(p. 11809).
15. DROUGHT RELIEF. Sen. Symington urged immediate drought relief for Mo., and Sen. Hennings inserted his statement on the matter (pp. 11812-3).
16. FARM PROGRAM. Sen. Knowland announced that S. 3052, the farm program bill, is to be taken up immediately after disposition of the foreign aid bill, but that debate on the farm bill will be interrupted by consideration of the tax bill and, on Sat., by a call of the calendar. He stated further: "Undoubtedly we shall continue debate on the farm bill in the early part of next week, even though that bill is to be made the unfinished business this week, for the opening of the debate on it." (p. 11814.)
Sen. Williams submitted an amendment which he intends to propose to the bill (p. 11809).
Sen. Butler criticized high, rigid price supports and inserted a Baltimore Sun article, "Excuses for Crops Nobody Wants" (p. 11810).

Mr. Short with Mr. Hébert.
 Mr. Welchel with Mr. Thompson of Louisiana.
 Mr. Kearns with Mr. Morrison.
 Mr. Maillard with Mr. Willis.
 Mr. Chipfield with Mr. Long.
 Mr. Harrison of Wyoming with Mr. Brooks of Louisiana.
 Mr. Derounian with Mr. Roosevelt.
 Mr. Kearney with Mr. Buckley.
 Mr. Kilburn with Mr. Powell.
 Mr. Small with Mr. Green.
 Mrs. Frances P. Bolton with Mr. Gregory.
 Mr. Clardy with Mr. Priest.
 Mr. Curtis of Nebraska with Mr. Barrett.
 Mr. Harrison of Nebraska with Mr. Bentsen.
 Mr. Cotton with Mr. Lyle.
 Mr. Scrivner with Mr. Machrowicz.
 Mr. Simpson of Pennsylvania with Mr. Vinson.

Mr. PATTEN changed his vote from "yea" to "nay."

Mr. MILLER of New York changed his vote from "nay" to "yea."

Mr. OSTERTAG changed his vote from "nay" to "yea."

Mr. SCHERER changed his vote from "yea" to "nay."

Mr. PILCHER changed his vote from "yea" to "nay."

Mr. NATCHER changed his vote from "yea" to "nay."

Mr. LESINSKI changed his vote from "yea" to "nay."

Mr. SHELLEY changed his vote from "yea" to "nay."

Mr. CONDON changed his vote from "yea" to "nay."

Mr. CROSSER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR INDEPENDENT MANAGEMENT OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3589) to provide for the independent management of the Export-Import Bank of Washington under a board of directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the Export-Import Bank Act of 1945, as amended, is hereby further amended to read as follows:

"SEC. 3. (a) The Export-Import Bank of Washington shall constitute an independent agency of the United States and neither the bank nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation of the Government unless the Congress shall otherwise by law provide.

"(b) There shall be a president of the Export-Import Bank of Washington, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, who shall receive a salary at the rate of \$17,500 per annum, and who shall serve as chief executive officer of

the bank. There shall be a first vice president of the bank, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, who shall receive a salary at the rate of \$16,000 per annum, who shall serve as president of the bank during the absence or disability of or in the event of a vacancy in the office of president of the bank, and who shall at other times perform such functions as the president of the bank may from time to time prescribe.

"(c) There shall be a board of directors of the bank consisting of the president of the Export-Import Bank of Washington who shall serve as chairman, the first vice president who shall serve as vice chairman, and three additional persons appointed by the President of the United States by and with the advice and consent of the Senate. Of the five members of the board, not more than three shall be members of any one political party. Each director, other than the president of the Export-Import Bank and the vice president of the Export-Import Bank, shall receive a salary at the rate of \$15,000 per annum. Before entering upon his duties, each of the directors shall take an oath faithfully to discharge the duties of his office. Terms of the directors shall be at the pleasure of the President of the United States, and the directors, in addition to their duties as members of the board, shall perform such additional duties and may hold such other offices in the administration of the bank as the president of the bank may from time to time prescribe. A majority of the Board of Directors shall constitute a quorum. The Board of Directors shall adopt, and may from time to time amend, such bylaws as are necessary for the proper management and functioning of the bank, and shall, in such bylaws, designate the vice presidents and other officers of the bank and prescribe their duties.

"(d) There shall be an advisory committee of nine members, appointed by the Board of Directors on the recommendation of the president of the bank, who shall be broadly representative of production, commerce, finance, agriculture and labor. The advisory committee shall meet one or more times per year, on the call of the president of the bank, to advise with the bank on its program. Members of the advisory committee shall be paid a per diem allowance of \$50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the committee, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses.

"(e) No director, officer, attorney, agent, or employee of the bank shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly personally interested."

Sec. 2. Section 4 (a) of the Bretton Woods Agreements Act, as amended, is hereby further amended by striking out all following "Federal Reserve System," and inserting in lieu thereof "the president of the Export-Import Bank of Washington, and during such period as the Foreign Operations Administration shall continue to exist, the Director of the Foreign Operations Administration."

Sec. 3. The Export-Import Bank Act of 1945, as amended, is hereby further amended as follows:

(a) Section 6 is amended by striking out the words "three and one-half times the authorized capital stock of the bank" and substituting therefor the figure "\$4,000,000,000."

(b) Section 7 is amended by striking out the words "four and one-half times the authorized capital stock of the bank" and

substituting therefor the figure \$5,000,000,000."

SEC. 4. The provisions of this act for the appointment of a president and a first vice president of the bank and the members of the board of directors shall be effective upon its enactment. The remaining provisions of this act shall become effective when the president and first vice president of the bank and one other member of the board of directors initially appointed hereunder enter upon office, and shall thereupon supersede Reorganization Plan No. 5 of 1953.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. MULTER asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. MULTER addressed the House. His remarks will appear hereafter in the Appendix.]

INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I hope the gentleman will not insist on taking up the bill without allowing some discussion, and I hope he will do it under an arrangement whereby we will have some time to discuss the bill.

The SPEAKER. The Chair may say that there can be discussion under the 5-minute rule.

Mr. PATMAN. Mr. Speaker, I was hoping that we would have some preliminary discussion. I would like to have 10 minutes to speak on the bill in preliminary discussion. I hope that is not asking too much.

Mr. MULTER. Mr. Speaker, I would make a similar request.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9756, with Mr. SADLAK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLCOTT. Mr. Chairman, this bill increases the borrowing authority of the Commodity Credit Corporation from \$8.5 billion to \$10 billion. It is to effectuate the farm price-support program. A statement was made, I believe during general debate on the agricultural bill, that if the President's farm program was finally adopted in substance, then it would not be necessary to have any fur-

ther authorization of the authority of the borrowing power of the Commodity Credit Corporation.

This bill, however, is to insure that for the balance of the year or until we get back here next year, anyway, that there is going to be ample authority to carry out the farm support-price program.

Now, the testimony bore out the fact in justification of this increase that prices of farm products, which had held relatively stable for 16 months within a range of 15 points, declined sharply from May to June of this year. A seasonal decline was expected, but was more than anticipated. Relatively stable farm prices are expected for the rest of the year; that the decline in exports of farm products appears to have been checked, and some increase over exports last year has occurred.

Another big crop is in prospect. Most of the wheat and other small-grain crops have either been harvested or are far enough advanced to be certain of good yields. A big hay crop has largely been harvested.

Reductions in cotton, corn, and wheat allotments did not cause any appreciable diversion of acreage out of crops. The total crop acreage planted in 99.7 percent of that for 1953 and the estimated acreage to be harvested is 100.3 percent of that for 1953.

There has not yet been developed a practical plan for disposing of butter, cheese, and dried nonfat milk without involving large costs and losses. The present outlet for dried milk will not be available beyond this summer because of possible serious interference with other protein feed markets.

Larger percentages of the 1953 crops of several major commodities were placed under price support than expected. In several instances the percentage was higher than ever before.

A larger proportion of the commodities placed under price support was acquired in most instances than in past years. This situation reflects the fact that as supplies build up, more of the total production goes into the price-support program, less redemptions are made, and more commodities are acquired by the Commodity Credit Corporation. At the same time, domestic sales of inventories held by the Commodity Credit Corporation decline.

The Corporation will begin the 1954 crop operations with \$846 million less available borrowing power than was estimated when we increased the authority to \$8.5 billion. It is in order that there will be no interruptions in the farm support program and because we want positive assurance that this program will be continued that the committee has reported out this bill and asks for its favorable consideration here on the floor.

Mr. Chairman, I know of no further requests for time.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

RESTRICT INTEREST RATE

Mr. PATMAN. Mr. Chairman, I do not know of any opposition to the bill.

I have an amendment that I would like considered restricting the amount of interest that may be paid. The Commodity Credit Corporation has always borrowed its money from the Treasury as provided by law. About \$4 billion has been borrowed from the Treasury. The Treasury borrows the money and then makes a loan to the Commodity Credit Corporation. In the last year and a half about \$1.5 billion has been borrowed by the Commodity Credit Corporation through a method known as certificates of interest. In other words, the banks would subscribe to a certain interest in the loan. I am not objecting to that particularly, provided that an excessive rate of interest is not paid.

CCC CERTIFICATES OF INTEREST

One reason the administration has asked for an increase in the borrowing authority of the Commodity Credit Corporation is the costliness of its practice, begun last year, of issuing certificates of interest to bankers in the price-support loans on farm commodities.

A July 14, 1954, press release from the Department of Agriculture states that a total of about \$1.9 billion worth of these certificates were issued—considerably more than the Department set out to issue—bearing interest at rates ranging from $2\frac{1}{8}$ percent to $2\frac{1}{2}$ percent per annum.

CCC had previously borrowed money from the Treasury for this purpose, the last few borrowings being at the rate of 2 percent. Thus the use of certificates of interest to circumvent Treasury borrowings—and avoid piercing the United States debt ceiling—has cost the Government, and the taxpayers, from \$2,375,000 to \$9,500,000 more than it should have, on an annual basis. This is the difference between rates of 2 percent and $2\frac{1}{8}$ percent at the lower end of the range, and the difference between 2 percent and $2\frac{1}{2}$ percent at the upper end of the range. An exact figure could be obtained from a breakdown of the certificates, but it is quite obvious that the additional costs run well over \$5 million a year.

Bankers who bought the certificates made even more money on their transactions, if one compares the interest rates with the rate of $1\frac{1}{2}$ percent or less which the Treasury was paying for call money when the certificates of interest were first issued. On that basis, the excess would run from \$11,875,000 up to \$19 million. Incidentally, the certificates were oversubscribed by more than \$4 billion.

It is also proper to compare the cost of the certificates to taxpayers with the Treasury's issue a few days ago of tax-anticipation certificates totaling \$3.5 billion which were oversubscribed 3 to 1. The interest rate on these was 1 percent. Since their maturities are comparable to the CCC certificates, one can put them beside each other fairly. At the 1 percent rate, CCC could have issued them for \$21,375,000 to \$28,500,000 less than it did.

The importance of learning the additional cost of this financing device is increased by the July 14, 1954, announcement of the Department of Agriculture that—

It is expected that CCC will again issue certificates of interest in pools of price-support loans later in the year.

I have an amendment providing that the Corporation shall not issue any obligations other than to the Secretary of the Treasury at a rate of interest in excess of one and a quarter times the rate of interest or comparable cost paid to the Treasury of the United States on the most recent obligations of the United States of comparable maturity, except that the provisions of this proviso shall not apply to lending agency agreements applicable to loans under a commodity loan program.

In other words, this will not affect the commodity loan program, but the amendment will provide that the Commodity Credit Corporation may not pay in excess of 25 percent of the rate at which the Treasury is borrowing money and letting the Commodity Credit Corporation have it. It occurs to me that 25 percent is sufficient for private enterprise.

There has been a lot of talk here about giving private enterprise an advantage. This gives the private banks an advantage but they may not charge the Commodity Credit Corporation in excess of 25 percent.

Boiling it down to actual figures, the Treasury can borrow this money now for 1 percent. Under my amendment the Commodity Credit Corporation may borrow the money from the banks or insurance companies or any other private lenders and pay as much as $1\frac{1}{4}$ percent.

That would be all right under this amendment, but more than that could not be paid. It provides they shall not be allowed to pay more than one-quarter percent. If they can get it from the Treasury for 1 percent and the Treasury can get it for 1 percent, why allow them to pay more than $1\frac{1}{4}$ percent? That is all in the world this amendment does. It occurs to me it is so reasonable and right that the chairman of the committee and the committee should accept it. I hope they will.

This brings up the national debt limit. About a year ago, a little better, the question of the national debt limit came up, to increase it from \$275 billion to \$290 billion. At that time I voted against it because the banks had \$8 or \$9 billion in the banks that was idle and unused. I wanted to compel them to use that idle money. Much of it had been borrowed, and the Government was actually paying 2, and $3\frac{1}{4}$ percent on some of it. I wanted to compel the Government to use that money first.

The House passed a bill to raise the debt limit and it went to the other body. The other body did not pass it, and it has not been increased yet. The banks having this idle and unused money of course have been called on, and the Government has used a part of it. But right today we have more than \$4 billion in the banks that is idle and unused and upon which the Treasury is receiving no interest whatsoever.

The national debt limit should be raised if Congress appropriates so much money that the appropriations cannot be expended without the debt being raised. I think Congress would be guilty

of intellectual dishonesty to vote for appropriations that increased the amount that is legally allowed, and then not vote to increase the national debt limit to take care of it. I am perfectly willing to raise the national debt limit if absolutely necessary.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. The gentleman is bringing up a very important point, because certainly there was some unusual financing that took place in financing some of the operations of the Commodity Credit Corporation. Does the gentleman have the latest figure as to how much additional that cost the taxpayers of this country?

Mr. PATMAN. Yes; I have on one issue. It has cost the taxpayers \$20,500,000 extra. Looking at it strictly from the standpoint of the banks, and I do not think the banks are selfish to the extent that they would want to keep the debt limit what it is now so as to compel the Government to go outside, in cases like the Commodity Credit Corporation, and pay a higher rate of interest to the banks—I am not charging them with that, but if we do not raise the debt limit, if it is absolutely necessary, we are placing the Government in a position where the Government is compelled to pay a much higher rate of interest.

Mr. MARSHALL. The gentleman's amendment has a great deal of merit, because it would put the Government in the position of keeping their interest rates somewhat uniform. The gentleman may recall that last December there was some great telescoping of rates to the Commodity Credit Corporation paper over and above what the Treasury paper was bringing on the market.

Mr. PATMAN. That is right.

Mr. MARSHALL. I wish to commend the gentleman for putting this limitation in. I believe that would save the temptation, at least.

Mr. PATMAN. It will help the farmers, too, because if you let them pay twice as much for interest as the Government can actually get the money from the same lenders for, you are placing an undue burden on the farmers, because it is placed right on the farmer. This places a limitation there that you cannot charge more than 25 percent in excess of what the Treasury can borrow it for from the same lenders. I do not see how anybody can oppose it. Last year, the gentleman from Indiana [Mr. HALLECK], the distinguished majority leader, and I desire to commend him for being a very fine and excellent majority leader because he is making a wonderful record and I know the House is proud of him, made a statement about the national debt limit. I want to read that statement to you. It was made not last year, but January 27 of this year. The distinguished majority leader stated:

Now because of failure to increase the debt limit and to realistically meet our situation, the Treasury has had to do in many instances what they indicated they would have to do, and it was not good business in order to avoid going over the debt limit and creating chaos in this country. One of the

things they did was to go back to an earlier procedure of the Commodity Credit Corporation and say to the Commodity Credit Corporation. "Instead of borrowing all of your money from the Treasury of the United States where you can borrow it more cheaply and it can better be handled, you go out and borrow money from private sources." What effect did that have on the debt limit? If the money had been borrowed from the Treasury, the Treasury in turn would have had to borrow from the people and increase the national debt which would have shoved us over the limit. Now that is how simple the matter is.

That is the majority leader speaking. We know that if you do not put a limit on this amount, a larger amount will be paid. We know that it is already being paid and needlessly being paid. So all we are asking is that the same interests not be allowed to collect and charge up to the farmers 25 percent more than you are daily lending the same type of money to the United States Treasury. So I hope the amendment is adopted.

Mr. SPENCE. Mr. Chairman, I yield myself 11 minutes.

Mr. Chairman, whatever our opinion may be as to the manner in which the Commodity Credit Corporation has been administered, I think it cannot be denied it has rendered a great service not only to the farming interests of our country but to the people generally, and the economy of our Nation. The farmer is engaged in a hazardous business. He is subject to the vicissitudes of the weather. He is subject to loss caused by pests and plant diseases. He does not know when he plants what he will reap or the quality of his product. Because he is engaged in this hazardous business, it is necessary to give him some assurance of what return he may receive. The Commodity Credit Corporation is the means of securing that result. I think it has rendered a service that cannot be overestimated. It has been a means of assuring the farmer he can make a living. It has been a means of keeping him on the farm in order that he may produce, not only for himself but for all our people. Certainly the city people ought to have no prejudice against this Corporation, because if you do not keep the farmer on the farm the people of the city are not going to be fed. People who have jobs in the city will be in constant peril of losing them because the farmer will leave his farm and go to the city. I cannot see why there should be any opposition to the Commodity Credit Corporation by the people of the cities. The Commodity Credit Corporation, on the basic non-perishable crops, has lost comparatively little. It has maintained a stable price. It has given the farmer the assurance of what he will receive. Certainly that is just as essential to the people of the city as it is to the farmer. The farmer and the man in the city have no diversity of interest. If the city man is not prosperous he cannot pay the price for the farmer's product which he should receive. Unemployment in industry destroys the farmer's market. So prosperity either covers the Nation like a blanket or we have none at all. There is no spotty prosperity.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McCORMACK. I have always thought that an important consideration, at least in my mind, in passing upon farm legislation—and I do not have a farm in my district—is the importance of agriculture, not only as an economic segment of our American society but also an important element in our national defense that has been overlooked; but the additional fact that the farmer buys in a protected market and when there is a surplus he has to sell it in a free market, the world market. I find it difficult to reconcile in my mind the votes that I see made by men from strictly agricultural districts, when that important factor must be known by them, as well as by myself, that they are buying in a protected market and selling their surpluses on a free market.

Mr. SPENCE. What the gentleman from Massachusetts says is true. Farming is the basic industry of the United States. Without it we could not live. We want it to be prosperous. I am always surprised to see the prejudicial attitude sometimes taken by city people toward the farmer. My district is half agricultural and half industrial. Part of my district is highly industrialized and highly unionized. Part of my district is entirely agricultural. I hope there will never be any feeling between the industrial part of that district and the farmer. I have always tried to instill into both that they had a common interest and they should work together to achieve a common goal—the prosperity and success of both.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. COOLEY. I think an effort has been made to lead the American people to believe that this \$6½ billion which has been made available to the Commodity Credit Corporation is a total loss to the American taxpayers. I want to ask the gentleman if it is not a fact that most of the money that has been handled by the Commodity Credit Corporation in these loans, if the loans are not secured by adequate quantities of food and fiber.

Mr. SPENCE. And they have made money on tobacco and they have made money on cotton. There is no reason to believe they are going to lose any great amount of money on any of the basic agricultural products.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KING of Pennsylvania. If the Government is not losing money, why are we here today trying to increase the borrowing capacity of the Commodity Credit Corporation by a billion dollars?

Mr. SPENCE. I have not contended they do not lose some money, but on the basic, nonperishable commodities they have sustained very little loss through the years. Many of the losses they have sustained have not been the direct result of maintaining support prices, but they have been compelled by the mandate of Congress to perform func-

tions which entailed losses—losses over which they had no control.

Mr. KING of Pennsylvania. Of course, the consumers are very much interested in farm production. But can the gentleman explain to me how the consumers can be interested in having the Government buy \$10 billion worth of farm produce, and holding it off the market, away from the consumers?

Mr. SPENCE. This was caused by the necessary purchases that were required to be made to support the price and these products could not be dumped on the market and they are required to be held to such time as they may be disposed of without depressing the market.

How anyone who has the interest of all the people at heart can denounce the Commodity Credit Corporation which stabilized the great basic industry of America, I cannot see. I believe that the farmer ought to have a reasonable assurance of what he shall obtain when he plants. That is the reason I am in favor of an inflexible price support because I do not think the price of what the farmer produces should be at the whim or caprice or judgment of any individual, even a member of the Cabinet.

I hope this bill will be passed overwhelmingly.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am very glad to hear the gentleman from Kentucky, who is one of the finest men I have ever served with, whose outlook on life is so beautiful that it is an inspiration to all of us, make the remark he did a few minutes ago, deploring this attempt to divide Americans into two groups simply because one is a farmer and the other lives in the city. I may say to my friend that the people in the city have nothing but respect for the man and his wife and family who toil on the soil. We are all Americans and we are all part of the American society and we all contribute to our national economy that is of such interest to all of us. This tendency of recent months in justification for certain actions in violation of certain promises and blaming the farmers for everything cannot be defended, when those who make the claim know it is not so. They operate under the guise of being the friends of the farmers at the same time. I suppose they proceed upon the theory that the great majority of the farmers vote Republican because their grandfathers voted Republican. But I think the farmers are awakening now to the realization that this attempt to create two classes by some who profess to be friends of the farmers, and I particularly mention Secretary Benson, is dangerous because it is nothing but political bigotry and, in my opinion, the farmers are waking up to the realization of what is going on.

Mr. SPENCE. The farmer constitutes a great part of the middle class of our country. In some countries there is no middle class; there are only the rich and the squalid poor. They are the unstable countries where governments change and the liberties of the people are in-

secure. The farmer is one of the most stable segments of our people. It is difficult to mislead him and subversive influences have not made gains among the farming people. We must continue to assist him and protect his interest not only for his sake but for the economy of our common country.

It has been said that if you destroy the cities they will rise again, but if you destroy the farms, grass will grow in the city streets.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I hope I misunderstood the remarks of the gentleman from Massachusetts [Mr. McCORMACK]. When he was referring to Secretary of Agriculture Benson, what I thought I heard him say was that Mr. Benson was guilty of hypocrisy and was deluding the farmers of this country and was not sincere. Am I correct in my understanding?

Mr. McCORMACK. I did not use any of those words at all, but if the gentleman construed it that way, I will not challenge the gentleman's construction.

Mr. CURTIS of Missouri. I am trying to get this out in the open as to what the gentleman did say.

Mr. McCORMACK. I said there are certain alleged friends of the farmers who are trying to array Americans against Americans, the farmer against the city folks, and vice versa, and I said that is a form of political bigotry.

Mr. CURTIS of Missouri. Yes, and the gentleman particularly mentioned Mr. Benson.

Mr. McCORMACK. Yes; I mentioned Secretary Benson's name.

Mr. CURTIS of Missouri. I just wanted to get this straight.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. I will say just what the gentleman from Massachusetts has said, that Mr. Benson has tried to cause a revolt in the cities. He is trying to turn the city consumers against the farmers of this Nation, and he is not serving well the interests of either the consumers or the producers. And I will say further that he has distorted the whole picture in an effort to mislead the public. He has not been frank, fair, and forthright.

Mr. CURTIS of Missouri. I just wanted to get this on the record as to just what your accusations were, because I want to say this, whether you agree or disagree with Mr. Benson's policy, the one thing I do resent—and I certainly resent it—is the attack on his motives. I happen to think that Mr. Benson's theories are right and well, but I think there is no occasion for any man in this House to attack the motives of a fine man like Mr. Benson, and I personally did not want to allow this occasion to pass without notice, particularly in regard to these people who have been saying that they do not attack the character of the individuals in Government. What I thought I heard was certainly character assassination. And I resent it.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, in all humility, I think it is fair to say that as far as I am concerned I have rather consistently argued against high fixed farm supports. I am not trying to turn the city against the farmer—with all due respect to my dear colleague from Massachusetts; he has his own opinion, and he entertains it strongly as always—and I do not believe Secretary Benson is, either. I think the whole problem is this—and this has been the basis for my own action in this House ever since I have been here, long before Secretary Benson took over. The problem is: Shall the farmer alone determine what is for his interest in terms of a program which is designed to serve both interests, the consumer and the farmer, or shall the consumer participate in the decision, and therefore sometimes moderate it, change it, or have some effect on it?

It seems to me when I first came here, for many of us, we assumed that what the Committee on Agriculture brought in as a farm program could just be passed. Well, it turned out it is not that simple. Like some fable, the surpluses just keep mounting and mounting and mounting.

Here you have the amazing statement in the committee report which says that the Commodity Credit Corporation will begin the 1954 crop operations with \$846 million less available borrowing power than estimated at the time the increase to \$8.5 billion in this very authority was discussed. Then it goes on to say that, in addition to having \$846 million less at the beginning of the current fiscal year as anticipated, they anticipate already that at least \$900 million more borrowing power will be required to cover the operation during 1955 than anticipated, so that, obviously, no evaluation, no estimate they make, is dependable, in view of the fact that the program is just running away.

All I say is that the city people ought to exercise a little wise discretion here and see that the farmers and themselves do not get drowned either in commitments for the program or surplus commodities.

I call to the attention of the gentleman who said that no money had been lost on the program, one fact, that there are several hundred million pounds of butter going rancid, but I believe still being carried at full value on the books of the Commodity Credit Corporation.

One other point about this bill. I understand, and it says so in the report of the committee, that they will have \$8,400,000,000 in borrowing power in January 1955, which is within their ceiling, but they do not believe we are going to get some flexibility in price supports, or that there is going to be any diminution to this program, so they are doing the prudent thing for them; they are asking for more borrowing power in advance. I think the wisdom of the American people will bring about this modest change, to a very modest flexibility in farm price supports and that we can go home without giving this new author-

ity. I wish to emphasize that I recognize the particular problems of the farmer and the hazards peculiar to his enterprise, that I consider it a national responsibility to cooperate in the solution of these problems and that I am affirmatively for the flexible system of farm price supports for that reason. This high fixed farm price parity farm program seems to me to have gone off the tracks and the people who can help it get back on are the city people—certainly wanting to and trying to work together with the farmers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Chairman, apparently we have started another debate on the farm problem. I think it quite appropriate in connection with this because we are asking for more money because of an illogical farm program. Certainly I do not want to turn anybody against the farmer. I am a farmer, have been a farmer all my life, and almost all of my relatives are farmers. But apparently, in my opinion at least, there is a great fallacy that exists to the effect that the prosperity of the farmer is the basis of all our prosperity. Actually, our economy is a big and a complicated matter of balanced production, balancing production with demand; and the 20 million farmers are no more important as a basis of our economy than 20 million other people. The question of balance is very complicated.

Instead of blaming the farmers for anything, what I am trying to do is to blame the Government, because the Government has been the agency which has thrown farm production all out of balance.

The interest of the city consumer, let us say the nonfarm segment of our society is simply this: That there is no question but what the overall farm subsidy program has cost the taxpayers \$20 billion and \$10 billion of it is incidental to this crazy idea of guaranteeing prices. Furthermore, when we have by this governmental action accumulated so much surplus that now we are faced with increasing the borrowing capacity of the Commodity Credit Corporation, the Government is disposing of the surpluses at prices below that which consumers today are paying for those commodities.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, the people who seem to know most about the farm situations are those fellows who live on 154th Street in New York.

Mr. JAVITS. Mr. Chairman, will the gentleman yield to me at that point?

Mr. BURDICK. If it is not taken out of my time I will yield.

Mr. JAVITS. It will be taken out of the gentleman's time, but it will be only seconds.

Mr. BURDICK. I refuse to yield. If I am wrong to the number of the street, I will correct that.

Mr. JAVITS. Yes; the street is 116th Street and as to the facts, I do not pretend to be a farm expert and never did. I am a city person strictly and speak only from that point of view.

Mr. BURDICK. All right; then I want to talk to the gentleman.

Mr. JAVITS. And I shall listen.

Mr. BURDICK. You can put wheat down to a dollar a bushel or you can leave it at \$3 a bushel and the cost of your bread is identical.

Now, what is the use of trailing around the country and telling the consumers, "The reason you are paying so much for bread and meats is because the farmers have the support price"? That is not true at all.

I believe myself, and I would hate to see it done again, that we have to have another depression such as we had in 1932 and 1933 to educate some of these newcomers that have been talking here this afternoon about what it means when agriculture fails. I know because I was a Member of Congress here when there were 15 million people traveling up and down the eastern seaboard looking for something to eat. The reason for it was that we were selling wheat for 26 cents a bushel. It did not pay for harvesting. Corn had no price. They burnt corn for fuel. That whole agricultural belt was prostrated and their buying power was gone. Just as soon as that lack of buying power hit the East those factories where your workers worked lost their jobs, and they constituted these 15 million people that were traveling around the country looking for something to eat.

When you destroy the buying power of the farmer, that in normal times buys one-third of all the steel output in this country when he can buy it, and he buys almost half the output of the textile mills of New England, or whatever it is, when he is broke those mills go out of business.

In my county alone, and it is a good county, probably the richest county in the United States, I can remember in that period when the farmers were down they took a survey of the county and 72 percent of the people out there did not have a mattress to sleep on; yet the stores in town and the manufacturing plants of New England were piled high with mattresses, because they could not get them because the buying power was gone.

This program was put through here not for the purpose of helping the individual farmer, it was put through to bring the economy of the Nation back to life. You can remember when all the banks were closed, everything was closed. I remember there were 4 days when you could not draw any money. I did not have much in the bank, but I had \$6, and I could not get that out.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Iowa.

Mr. JENSEN. I have been in the House with the gentleman from North Dakota for many years and I have never heard the gentleman from North Dakota insult the city folks as the gentleman from New York [Mr. JAVITS] has insulted the country folks today. Just a few

minutes ago he said that the city folks would have to educate the country folks and save them from disaster.

Mr. BURDICK. Yes.

Mr. JENSEN. I want to remind the gentleman from New York [Mr. JAVITS] that we have a higher state of literacy on the farm than the people do that he has the honor to represent, and I know they are good people. But let me tell the gentleman from New York [Mr. JAVITS] that the farmer communes with Nature, and that is God's business. When he communes with Nature he becomes natural, and when he becomes natural he becomes practical. You folks, men like you, do not understand that because you live in an artificial atmosphere, you think artificially, and you talk artificially.

Mr. BURDICK. I do not think it is necessary to prove the illiteracy of the East because I think the gentleman from New York [Mr. JAVITS] has demonstrated that fully.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. McCORMACK. Does the gentleman agree with me that any effort to array American against American such as the city folks against the farmer or vice versa is wrong?

Mr. BURDICK. Yes, sir.

Mr. McCORMACK. And it is a form of political bigotry?

Mr. BURDICK. Yes, sir, it is.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. DORN of South Carolina. In support of what the distinguished gentleman from North Dakota is saying today, I hate to inject a personal experience into this debate, but I want to point out that while I can afford to lose a little bit on my farm, the average farmer in the country cannot. Last fall, I sold my wheat crop at Route No. 1, Greenwood, S. C., the Third Congressional District, for \$1.65 a bushel. During the same week that I sold that wheat at \$1.65 a bushel, the price of a loaf of bread, I want to tell the gentleman from New York, went up 1 cent. Last fall when I sold my cattle, I received an average of 13 cents a pound. Then when I returned to Washington, I paid as high as \$1.30 a pound for steak here. And right now in South Carolina, Georgia, and throughout this great country, you can buy beef on the hoof as low as 6 or 7 cents a pound. You go downtown tonight and try to buy a T-bone steak at the Shoreham Hotel and see what you have to pay for it. The farmers of this country are not responsible for the situation we are in today. Unless you do something about this condition to give the farmers a fair break, then this condition is going to spread to other industries throughout the country.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. You are not going to cite any more of those figures of yours, are you?

Mr. KING of Pennsylvania. No, I am not going to cite any more figures.

Mr. BURDICK. I yield.

Mr. KING of Pennsylvania. I just want to go back to the time that you

spoke of during the depression days when you say you were in the Congress, and apparently devoting your time to politics. I was a farmer trying to make a living during that time, and I know a great deal about it. The depression dragged on for a long time. Do you think Government subsidies in any way hastened the adjustment which was inevitable and necessary, or did Government intervention in that thing drag it out and prolong the misery, and will you explain to me just how the Government in any way helped the situation?

Mr. BURDICK. That is exactly what we did. The Government breathed some new life into the farming sections of this country and we began to revive.

Mr. McCORMACK. Do you remember the foreclosures on the farms and the foreclosures on the homes? Do you remember what was going on then?

Mr. BURDICK. Yes, sir, I do.

Mr. McCORMACK. The Government stepped in and saved family life in America.

Mr. JAVITS. Mr. Chairman, will the gentleman—

Mr. BURDICK. I do not yield to the gentleman. May I be permitted to say a few words?

Mr. Chairman, this program was not put through to help any particular person in the country. It was put through to put buying power back in the hands of the American people. That is all there is to it. I remember going before a committee here when the business interests of the country were there in force saying, "If we withdraw all Government restrictions from private business, they could go ahead and put these 15 million people to work." I was there and while I did not ask the question—I asked a friend of mine on the committee to ask the question and he asked the business interests, "If we withdraw every restriction that the Democrats have put on business since Roosevelt came in and put it right back where it was under Hoover, how many of these 15 million people can you employ?" And they all admitted that they could not employ over 3 million. Well, they were asked, What are you going to do with the other 12 million people out of a job? They said, "We do not know." Now maybe we did something foolish. I voted for all of it—do not charge it to the Democrats alone. I was here and I voted for it. We set up a lot of foolish business, but the people had to eat and I knew myself that when enough people got hungry enough, they would get enough to eat. I have seen that happen. I have seen them leave the line of march and go into a store and eat it up.

The CHAIRMAN. The time of the gentleman from North Dakota has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BURDICK. We might have to have that demonstration all over again to convince the gentleman from New York [Mr. JAVITS] and the gentleman from Pennsylvania [Mr. KING] that we are not handing any plums to the farm belt when we are trying to put buying power back for the benefit of the entire country.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. JAVITS. I regret any reference to illiteracy, we are having a perfectly fair debate, everyone knows there is no question of literacy or illiteracy, farmers and city people are decent people trying to do the best for our country.

Mr. JENSEN. You are the first fellow who accused the farmer of being illiterate. What are you talking about? I did not say you were illiterate.

Mr. BURDICK. The only demonstration of illiteracy this afternoon was made by the gentleman who says price supports invariably causes a rise in the price of food.

I still stick to it, because you do not know the situation, you only know in New York City that the price of bread is high, and you at once attribute that to price supports.

Mr. JAVITS. There was a time for the high fixed farm price supports, when 90 percent of parity was essential to this country, for instance; but like any medicine, that time may have gone by. I just venture to suggest and argue that the time has come, because of the farmer's own condition, the fact that he is not doing well under these very high fixed price supports, there must be something wrong. So some of us are suggesting some way of dealing with the difficulty. The modest flexibility introduced in the program by the House recently is along that line. I do not think that is unfair and I do not think that deserves any caustic condemnation.

Mr. BURDICK. Well, he may be in a bad shape today, but if he listens to the advice I have heard today coming from New York and Pennsylvania he will be much worse off tomorrow.

The CHAIRMAN. The time of the gentleman from North Dakota has again expired.

[Mr. MULTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "\$8,500,000,000" and inserting in lieu thereof "\$10,000,000,000."

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: In line 5 immediately after the figure "\$10,000,000,000" (and before the quotation marks following such figure), insert "Provided, That the Corporation shall not issue any obligations (other than to the Secretary of the Treasury) at a rate of interest in excess of one and one-quarter times the rate of interest (or comparable cost) paid by the Treasury of the United States on the most recently issued obligations of the United States of comparable maturity, except that the provisions of this proviso shall not apply

to lending agency agreements applicable to loans under a commodity-loan program."

Mr. PATMAN. Mr. Chairman, under the present law the Commodity Credit Corporation can get this money from the Treasury. That is the way it usually gets the money. The going rate of interest on short-term obligations, like tax-anticipation certificates, is now 1 percent; therefore, the Government could get the money for 1 percent through the Treasury and let the Commodity Credit Corporation have the money for 1 percent.

Now the Commodity Credit Corporation wants to bypass the Treasury and sell the certificates of interest direct to the lenders. That is all right if it is not too expensive. This amendment will not prohibit it, provided the Secretary of the Treasury does not pay more than 25 percent in excess of what it could get the same money from the same lenders through the Treasury. It occurs to me it is so reasonable that the committee should accept it. It permits a burden of 25 percent, I will admit, on the farmers that is not justified, but, in order to bend over backward, to help what is called private enterprise, I am perfectly willing to permit as much as 25 percent, but no more, to be paid for that purpose. In other words, if the rate should go up to 2 percent that the Treasury is compelled to pay, why, then the Commodity Credit Corporation could permit 2.5 percent, or 25 percent more. If the rate were to go up to 4 percent, the Commodity Credit Corporation, although they could get money for 4 percent, would be allowed to pay 5 percent under this amendment. But, since the Commodity Credit Corporation can borrow money today for 1 percent through the Government, this amendment says that you cannot pay more than 1½ percent more than you can get it from the Treasury. So why should we unnecessarily burden the farmer with this extra interest? There is no use doing it. These same leaders will let the Government have the same money if it is done through the Treasury, so why not have some limitation whereby the Secretary of the Treasury cannot pay over a certain amount? I think it is putting too much of a burden on the farmer.

The Treasury just a few days ago issued tax-anticipation certificates totaling \$3.5 billion which were oversubscribed 3 to 1, and the interest rate was 1 percent. That is just a few days ago. Since their maturities are comparable to the Commodity Credit Corporation certificates, one can put them side by side fairly because they are comparable. So that at the 1-percent rate the Commodity Credit Corporation could have issued them for \$21 million to \$28 million less than they actually paid through the CCC making it directly when they could have made it through the Treasury. So we are paying what might be considered a bonus or a subsidy to lenders now. Let us restrict that bonus or subsidy to 25 percent. That is all that my amendment does, and I hope the amendment will be agreed to.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

You will recall that when we had this bill up earlier in the year the same situation was before us and the committee voted it down overwhelmingly.

Mr. PATMAN. Not overwhelmingly.

Mr. WOLCOTT. I said it was voted down and we can leave out the word "overwhelmingly." I do not remember now how overwhelming it was, but, anyway, there was an effective vote against it. The question has been raised by the gentleman from Texas [Mr. PATMAN] that this, in some way, is affiliated with the problem of increasing the debt limit. This House has seen fit to increase the debt limit, but the other body has not taken action on it up to this particular time. We do not know what is going to happen in respect to the debt limit.

These certificates of interest which are provided for are merely an adaptation to all support programs of practices which have been in effect on cotton for these many years. They have always worked out quite successfully and they will work out as successfully on other crops as they have worked out for cotton.

What I am trying to bring out is this, that the system under which they operate now is a tried system. They know that they are going to get finances enough for these support programs. We do not know whether there will be sufficient incentive under the amendment offered by the gentleman from Texas [Mr. PATMAN] to make possible the financing of these crops without further drains on the Treasury. There is no drain on the Treasury at the present time in respect to these programs until there is an impairment of the capital of the Commodity Credit Corporation. There might be such a drain on the Treasury if the certificates did not carry an effective rate of interest to attract private investment.

We have on occasions mandated the Commodity Credit Corporation to buy or sell for specific programs. You will note by reference to the report that the activities of the Commodity Credit Corporation are quite all-embracing in respect to the movement of crops. It operates storage facilities; a commodity export program; it supplies funds for our purchase program, and it engages in other activities authorized by Congress.

Many of those activities authorized by Congress take this form: We authorize the Commodity Credit Corporation to buy either at home or abroad for our defense forces, and then it comes to the Congress and of course we reimburse the Commodity Credit Corporation if there is any impairment of capital for the amount which they had to borrow from the Treasury to get the money with which to buy food for our Armed Forces and other mandated programs.

We have, of course, restored the capital because it was the only thing to do. I remember one time in connection with a similar situation under the Reconstruction Finance Corporation when we restored about \$3 billion to the RFC because we had given the RFC the job of going out and doing certain things for the Armed Forces and engaging in other

activities with their own money which was obtained by borrowings from the Treasury. On the basic crop-loan programs there has been very little impairment of capital of the Commodity Credit Corporation which had to be restored.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday I made a speech here in the House which appears in today's RECORD. The speech contains much pertinent information, and I hope that those of you who did not hear it may find time to read it. In that speech I pointed out the fact that high Government officials, yes, including Secretary Ezra Benson, have been going up and down the length and breadth of this country trying to cause a revolt and to turn the city consumer against the farmer, actually trying to divide our people. Mr. Benson has been very apprehensive about the reaction of the consumer to the results of the price-support program. Certainly, consumers have not revolted; there is no sign of it anywhere. Perhaps it does not exist except in Mr. Benson's mind. Ask yourself the question, Why should the Secretary of Agriculture, of all persons, try desperately to turn the consumers against the farmers of our country?

When general farm legislation was being considered on the floor of the House 2 or 3 weeks ago there was no sign of any revolt on the part of the consumers of the Nation. Many Members of Congress from city districts voted for mandatory fixed-price supports, knowing that such price supports would be accompanied by acreage allotments and marketing quotas and that farmers would diligently and faithfully try to bring production in line with reasonable consumer demand. The administration did not fight for Benson's program, but at exactly the psychological moment the majority leader took the floor and supported, with all of his energy and sincerity, a compromise, and the result was the approval of a support price of 82.5 percent of parity instead of the 75 percent of parity which had been advocated by Secretary Benson. The majority leader knew and said that it was a compromise and yet the President denied that it was a compromise and called it a great and a sweeping victory.

I repeat that Mr. Benson has deliberately tried to deceive and to mislead the consuming public. He has not been forthright and fair. He finally presented a program which was a fallacy and an outright fraud. He may be pious but he certainly is not prudent. He does not even practice what he preaches. The support of dairy products has been on a flexible basis from the very moment that Mr. Benson took office. If he honestly and sincerely believed that the unlimited production of dairy products should not be supported at high levels, in good conscience he should explain to the American people why it took him 14 long months to make a decision and finally to lower the price supports from 90 percent of parity to 75 percent of parity. Secretary Benson, and he alone, is entirely responsible for the burdensome inventories of dairy products which the

Commodity Credit Corporation now has in storage.

Mr. Benson, by the use of misleading figures concerning the cost of the price-support program, has done everything in his power to bring the program into disrepute. When he came face to face with the members of our committee, fortunately he admitted the truth. He had to admit that the total cost of the entire price-support program through the CCC had only amounted to—subtracting the profits on the sugar program—slightly more than \$1 billion during the entire period of 22 years. Mr. Benson's own figures and calculations clearly indicate that the entire losses sustained on the price-support program from the beginning to the end have amounted to less than \$1,375,000,000. If you will subtract the profits of \$309 million made on the sugar program from that figure, it is apparent to see that the losses have amounted to only \$1,066,000,000. This includes all the losses sustained by CCC on price-support programs.

I am certain that even Mr. Benson will agree with these figures.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. On the basic commodities over a period of over 20 years the Government has lost on the six basic commodities only a little over \$63 million, and that was up to the 31st of December of this last year.

Mr. COOLEY. I have brought these figures up to date and I challenge Mr. Benson or any of his actuaries or statisticians to deny the accuracy of these figures, because they came from the Department of Agriculture.

When this administration came into power this great price-support program on the basic commodities showed a profit of over \$8 million, and within 4 months under Mr. Benson the profit had disappeared and we had a loss of over \$8 million. Now we have a loss of slightly over \$130 million on the entire basic program from beginning to end. I challenge Mr. Benson to say these figures are inaccurate. When I used the billion-dollar figure, I am talking about all of Mr. Charlie Brannan's rotten eggs and Irish potatoes. Over \$900 million of that billion was lost on four commodities. The figure was used here by my distinguished colleague, a member of the House Committee on Agriculture, that this farm program had cost \$20 billion. That is the kind of speech that Mr. Benson has been making. We are talking not about the overall wartime consumer subsidies; we are not talking about the soil conservation programs and the ACP program; we are talking about the price-support program of the Commodity Credit Corporation.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KING of Pennsylvania. You do not mean to tell this House that you even believe the losses on the price-support program are all measured by the balance sheet of the Commodity Credit Corporation; do you?

Mr. COOLEY. Why, of course, I mean to tell you exactly that. The price-support program is carried on by the Commodity Credit Corporation. It has nothing to do, for example, with the school-lunch program and many other programs which you and your friend Benson always include and never mention by name or in any way discuss.

Mr. KING of Pennsylvania. Every time the Commodity Credit Corporation loses money, some other agency reimburses them.

Mr. COOLEY. They did not lose a dime on the basic commodities until the Republicans took over and put Mr. Benson in charge of it. I can prove with Mr. Benson's own figures that even at the end of the 21-year period, we had lost only 21 millions of dollars—\$1 million a year. And yesterday, as I pointed out, in the very first item on foreign aid and relief, we were appropriating 3 times the entire overall cost of this great program for 22 years.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. GAMBLE. Mr. Chairman, I object.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. COOLEY. I just want to say to these city consumers that during the time we sustained this accumulated loss over a period of 22 years, which amounted to \$1 billion, the American people enjoyed an accumulated national income of \$3,015,000,000,000. The American people had that much in purchasing power. Relate that, if you will, to the one little measly billion dollars which was lost in 22 years on potatoes, eggs, wool and everything else.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. JENSEN. And it must be said that the American people are buying their food for 22.8 percent of the income of the American people while the rest of the world is paying 70 percent on an average for their food.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. JAVITS. I would like to assure the gentleman, who is the distinguished ranking minority member of the Committee on Agriculture, that in my district—which happens to be one of the most literate in the United States including as it does Columbia University, and I believe as many other educational, medical, and cultural institutions as about anybody else's district in this House and whose people are by a very high percentage—high school and college graduates—the farmers of Amer-

ica are considered to be wonderful people and very literate, and we want to do everything in our power to help them; and second, there is certainly no animosity and no hostility in my district. If anybody is trying to sow it, they are failing miserably. We are discussing as honorable Americans a problem affecting our mutual concerns and nothing more. I think it is very tragic that any other note should be injected into this debate.

Mr. COOLEY. I just want to make one observation.

After the speech delivered by our friend from New York, if the agricultural bill we have passed and sent to the Senate is enacted substantially in the same form that we sent it there, this two and one-half million will be written off, and this bill would not be necessary. But we have no assurances that the Senate will pass the bill. Therefore, I hope the gentleman from New York will realize that if the Senate fails to pass the bill containing the set-aside provision, with the charge-off section, this bill may be urgently needed before harvest time is over.

Mr. MULTER. The Under Secretary, in talking before our committee, did not take into account the writeoff and the cancellation of the two and one-half million.

Mr. COOLEY. That is right.

Mr. MULTER. He has used six and one-half million without writing off the two and one-half million.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. PATMAN. The gentleman from Michigan suggested this same amendment was overwhelmingly defeated. It was not the same amendment. It was an amendment that was confused—

Mr. NICHOLSON. Mr. Chairman, a point of order.

I raise the point of order that we have gone a long way from the amendment offered by the gentleman from Texas.

The CHAIRMAN. The gentleman will proceed in order.

Mr. PATMAN. The amendment was rejected by a vote of 109 to 73. That was not a clear amendment, such as we have before us now. There is no reason to vote against this amendment, and I hope the amendment will be adopted.

Mr. MARSHALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, on February 18 of this year, I asked some questions concerning this matter. I dislike some of the attempts that—I would not say were deliberate, but certainly they do reflect in the costs of our farm-support program that gives some people the wrong impression about our farm-support program.

One of the things that happened last fall that I think was very, very regrettable, the Treasury resorted to a means of financing the Commodity Credit Corporation, brought about because they felt they had to resort to financing to evade the statutory debt limit. This body does not need to take any blame

for that action. We acted in a responsible fashion. But because the other body did not act in a responsible fashion, it meant that financing was resorted to. That, to use a common word, stinks. On October 28, 1953, a loan for Commodity Credit Corporation financing was arranged at \$357 million. Someone decided that that should be at 2½ percent interest rate. The banks offered to buy over \$2 billion worth of this paper because of the attractive interest rate. The going rate on Government paper which was no better paper than the paper involved in the Commodity Credit Corporation, was something like 1½ percent. Obviously, this loan was greatly oversubscribed. They recognized that. So on December 17, 1953, they floated another loan of \$449 million at 2¼ percent interest. That loan was also greatly oversubscribed. The banks offered to buy \$1,200,000,000 worth of this issue. That meant again that in this cost of financing that that was charged back against the cost of the operation of the farm program.

On February 2, 1954, a loan was floated for something like \$351 million at 2⅞ percent interest. The banks wanted \$1.8 billion worth of this paper.

Mr. Chairman, during this period the Treasury could have borrowed the money on 91-day bills for approximately 1½ percent interest or less. I maintain, in fairness, that the amendment that has been offered by the gentleman from Texas [Mr. PATMAN], would protect the Commodity Credit Corporation against this type of financing. I hope that something is done about our statutory debt limit. I hope it is done before this Congress adjourns. I do not like to see our Government getting into this kind of fiscal operations. I regret exceedingly that this has been done.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. May I say that I have been over the figures the gentleman has gone into and I want to commend him for the work he has done. I agree with his conclusions as to what has taken place as a result of the debt limit, but inasmuch as the debt limit has not been raised I would hate to see restrictions on Government financing that would produce more fiscal irresponsibility. I certainly commend the gentleman on what he has done.

Mr. MARSHALL. I thank the gentleman from Missouri.

Mr. Chairman, I would like to say in connection with some things that have been said about the farm program that just a short time ago the farmer was getting in this country about 54 cents out of every dollar as far as food prices were concerned. Today he is getting 45 cents out of the consumer's dollar. The parity price he is getting has been steadily dropping until at the present time it is 88 percent of parity.

I put a letter in the RECORD yesterday which I received from a farm family in Minnesota. In this letter it was pointed out that where their prices had dropped

because of the action in lowering the price-support program on dairy products at the same time in the city of Minneapolis milk went up 1 cent a quart. Those things just do not add up. Something ought to be done about that sort of situation.

Mr. Chairman, I am thankful for abundance. That abundance credited in no small part to the ability of our farmers places on the American consumer's table the best quality food at the lowest hourly labor cost that consumers enjoy anywhere in the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 29, noes 53.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "\$8,500,000,000" and inserting in lieu thereof "\$10,000,000,000."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. CANFIELD, having resumed the chair, Mr. SADLAK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation, pursuant to House Resolution 644, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MULTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MULTER. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MULTER moves to recommit the bill H. R. 9756 to the Committee on Banking and Currency with instructions to report the same back forthwith with the following amendment: In line 5 immediately after the figure "\$10,000,000" (and before the quotation marks following such figure), insert "Provided, That the Corporation shall not issue any obligations (other than to the Secretary of the Treasury) at a rate of interest in excess of one and one-quarter times the rate of interest (or comparable cost) paid by the Treasury of the United States on the most recently issued obligations of the United States of comparable maturity, except that the provisions of this proviso shall not apply to lending agency agreements applicable to loans under a commodity-loan program."

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 72, noes 5.

Mr. JAVITS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. ARENDS. Mr. Speaker, in view of that situation, I ask unanimous consent that further proceedings be postponed until tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Does the gentleman from New York withdraw his point of order?

Mr. JAVITS. I do, Mr. Speaker.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit during the session of the House tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H. R. 9756.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

JOINT COMMITTEE ON TIN

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 259, to provide for the Joint Committee on Tin.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Tin (hereinafter referred to as the Committee), to be composed of 14 members as follows:

(1) Seven Members of the Senate, 4 from the majority and 3 from the minority party, to be appointed by the President of the Senate; and

(2) Seven Members of the House of Representatives, 4 from the majority and 3 from the minority party, to be appointed by the Speaker of the House of Representatives.

A vacancy in the membership of the Committee shall not affect the powers of the remaining members to execute the functions of the Committee, and shall be filled in the same manner as the original selection. The Committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member

of the Senate and the other a Member of the House of Representatives.

SEC. 2. It shall be the function of the Committee to make the study and investigation determined necessary by section 1 (c) of Public Law 125, 80th Congress, which provides "It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirements of the Nation in time of national emergency."

SEC. 3. The Committee shall report to the Senate and House of Representatives not later than January 3, 1955, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpoena (to be issued under the signature of the chairman or vice chairman of the Committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 5. The Committee is authorized to appoint, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

The expenses of the Committee, which shall not exceed \$50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

The Committee is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government in connection with its study and investigation.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

(Mr. SIEMINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. SIEMINSKI addressed the House. His remarks appear in the Appendix of today's RECORD.]

MEDICAL SERVICE IN THE VETERANS' ADMINISTRATION

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include therein an article in the Ameri-

can Legion Weekly by Dr. Charles W. Mayo of the Mayo Clinic.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, the article which I shall insert in the Appendix was written by Dr. Mayo. He speaks of the extremely fine medical service that has been developed in the Veterans' Administration. At the end of the article Dr. Mayo says:

"Part of my pride is patriotic; I am proud that my country and the men of my profession have not forgotten in peace and security the awful obligation we placed on millions of boys and young men in the prime of their lives, when they stood between ourselves and national ruin, and stood well. It is fitting in time of peace, that if they now stand on the brink of ruin through failing health, we as a Nation do not entirely forget them.

If sometimes we judge them it would be wise to use no different yardstick than we used to judge them when we set them apart to bear our battles.

On yesterday we had the privilege of meeting the Viscountess Genevieve de Galard-Terraube, the nurse who has been called the Angel of Dien Bien Phu. Again this afternoon at the French Embassy I saw her when I presented in behalf of the Department of Massachusetts American Legion Auxiliary, of which I am a member, a distinguished service medal for heroism above and beyond the call of duty. She saw the need for saving thousands of lives in the midst of terrible danger. She saw the need for trying to rehabilitate the veterans. She is an inspiration and a lesson to all of us.

The resolution passed by our Massachusetts Legion Auxiliary is as follows:

JULY 19, 1954.

Lt. Viscountess GENEVIEVE DE GALARD-TERRAUBE,
French Embassy, Washington, D. C.

DEAR MISS GALARD-TERRAUBE: At the 35th annual convention of the American Legion Auxiliary, Department of Massachusetts, held at the New Ocean House, Swampscott, June 3 and 4, it was unanimously voted to adopt the following resolution:

"Whereas Lt. Viscountess Genevieve de Galard-Terraube won worldwide praise for her heroic work as the only nurse and woman to remain with the beleaguered fortress at Dien Bien Phu; and

"Whereas this nurse has been affectionately and gratefully referred to as the Angel of Dien Bien Phu for her devotion to the hundreds of wounded French Union soldiers during the fierce shelling and assault on this outpost in Indochina; Be it

"Resolved, That the American Legion Auxiliary, Department of Massachusetts, express its admiration and affection to this heroic nurse who spent 51 days with the suffering and wounded in the 15,000-man garrison before its final collapse; and be it further

"Resolved, That this convention present to Lt. Genevieve de Galard-Terraube the auxiliary's distinguished award for outstanding heroism for her courage and constancy to her fellow man."

Massachusetts Auxiliary members wish to express their admiration and respect for your devotion far beyond duty in the cause of humanity and your fellow man.

Sincerely yours,

ADELAIDE L. FITZGERALD,
Secretary-Treasurer.

OUR RELATIONS WITH PANAMA

The SPEAKER pro tempore (Mr. CANFIELD). Under the previous order of the House, the gentleman from Florida

[Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, the welfare of the United States makes it imperative that we maintain close, friendly relations with our fellow freedom-loving nations. Our ties with the nations in this hemisphere are particularly strong and of special importance. Among these countries, the Republic of Panama occupies a special place. In George Orwell's book *Animal Farm* he related how one of the basic rules adopted by the animals and painted on the side of the barn originally read, "All animals are equal." This was later amended to read, "All animals are equal, but some are more equal than others." Our relations with all nations are important, but some, such as our relations with Panama, are more important than with others. Why is this so? First, of course, is the Panama Canal; secondly, the strategic importance enjoyed by Panama aside from the Canal; and, thirdly, the fact that Panama serves as a showcase wherein the United States demonstrates to the world how it can deal fairly and equitably with a small nation even though major issues of our national welfare are involved.

The importance of the Panama Canal to the United States is a matter that never should be forgotten or ignored, even though it is a natural human tendency to take it for granted as long as the Canal functions smoothly. To realize its importance, we only have to turn the clock back 50 years to a time when the construction of the Panama Canal by the United States Government had just begun. Ships sailed an average of 5,000 miles more between ports than they do today. Many of the now existing busy harbors of the world were quiet or unknown and a hopeful and impoverished young nation of Panama was centering its hopes for security and its future as a nation on the successful completion of a ship canal between the two great oceans. The intervening years have seen 225,000 ships of all types and sizes pass through the canal on missions of peaceful commerce or war. Approximately 900 million tons of cargo have been shipped through the canal since its completion in 1914. The President of the United States, in a special message to Congress in January 1904, gave one of the best summaries of the factors underlying the construction of the canal and its importance to the United States. This summary is as true today as it was when it was written 50 years ago. He said:

The control, in the interest and traffic of the whole civilized world, of the means of an undisturbed transit across the Isthmus of Panama has become of transcendental importance to the United States.

The course of events has shown that a canal to connect the Atlantic and Pacific Oceans must be built by the United States or not at all. Experience has demonstrated that private enterprise was utterly inadequate for the purpose; and a fixed policy, declared by the United States on many memorable occasions, and supported by the practically unanimous voice of American opinion, has rendered it morally impossible that the work should be undertaken by European powers, either singly or in combination.

In all our range of international relations I do not hesitate to affirm that there is nothing of greater or more pressing importance than the construction of an interoceanic canal. Long acknowledged to be essential in our commercial development, it has become, as the result of the recent extension of our territorial domain, more than ever essential to our national defense.

Although the canal is a vital link in our national defense, its long-range policies and operation are closely tied to the requirements of world commerce. The opening of the canal gave a powerful boost to world trade. New routes were opened, and formerly isolated areas were brought into the range of world markets. The development of manufacturing, mining, agriculture, and industry were stimulated in the United States and in other parts of the world. The canal has had a great effect on raising the standards of living and strengthening the political ties among the nations of the free world, particularly those of the Western Hemisphere. Today, assisted by the canal, the freedom of rapid maritime movement of materials, products, and men is one of the greatest advantages that the freedom-loving nations hold against the monolithic and largely landlocked despotism of Russia and its satellites. Even our possession of a two-ocean Navy does not eliminate the necessity for speedy and economic movement of men and materials in wartime. If any conclusive evidence of this were needed, it was given during the Korean conflict. Although only a fraction of our Nation's military and economic strength was involved during fiscal year 1953, which was the last full year of conflict, 1,064 United States Government vessels, mostly cargo ships carrying supplies to the Far East, transited the canal. This is approximately twice the number using the canal under peacetime conditions. From the logistical standpoint, the Panama Canal is today far more important to our Nation's welfare and defense and to world commerce in general than ever before in its history. It would have taken 1,000 trains of 50 carloads each merely to haul the wheat which was shipped through the canal in fiscal year 1953; while 2,300 trains of 50 tank cars each would have been required to carry all of the petroleum products shipped through the canal in the same 12 months. Even though the Korean conflict is now over, the statistics for fiscal year 1954 show that there were 7,784 transits by big commercial ships, which is an increase of 373 vessels over the previous fiscal year.

The magnitude and importance of the canal and its operation often tends to overshadow and partly conceal the importance of Panama aside from the canal. The geographical location of the Republic of Panama, its proximity to the United States and the fact that it is located at the natural crossing of routes, be they maritime, air, or land, between the two great oceans and the two American continents, insures the vital importance of good relations between Panama and the United States even were the canal not to exist. The Republic of Panama lies at the heart of the Western Hemisphere; military experts agree that it is one of the principal keys in security

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 30, 1954
For actions of July 29, 1954
83rd-2nd, No. 144

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HIGHLIGHTS: House passed bill to increase CCC borrowing power. House agreed to corrections in enrollment of housing bill. House voted against sine die adjournment July 31. Senate committee reported flood control bill. Senate agreed to conference report on tax revision bill. Senate debated mutual security authorization bill. Senate committee ordered reported supplemental appropriation bill. Rep. Multer criticized USDA's request for further increase in CCC borrowing authority. Senate recalled water-facilities loans bill and agreed to bills correcting clerical errors.

HOUSE

1. COMMODITY CREDIT CORPORATION. Passed, 317-57, without amendment H. R. 9756, increasing the borrowing power of CCC from \$8.5 billion to \$10 billion (pp. 11965-6).
2. MINERALS. Agreed to the conference report on S. 3344, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of public lands (pp. 11967, A5553-5).
3. HOUSING LOANS. Agreed to a Senate concurrent resolution correcting errors in the enrollment of H. R. 7839, the housing bill (pp. 11966-7, 12010). This bill will now be sent to the President.
4. ADJOURNMENT. By a 183-193 vote, rejected H. Con. Res. 265, providing for sine die adjournment of Congress on July 31 (p. 11966).
5. TEXTILES. Rep. Deane inserted an analysis of the textile industry which he compiled from information obtained from the Legislative Reference Service and other sources (pp. 11971-5).
6. COFFEE PRICES. Received from the Federal Trade Commission a report, "Investigation of Coffee Prices" (p. 12029).

-2-
SENATE

7. WATER-FACILITIES LOANS. Recalled S. 3137, to amend the Water Facilities Act; reconsidered the vote by which the Senate agreed to House amendments to the bill; and concurred in the House amendments with further amendments for the purpose of correcting clerical errors in the bill (pp. 11898, 11958, 12000).
8. FARM PROGRAM. The amendment by Sen. Williams to S. 3052 (see Digest 143) is identical to his bill, S. 3815, which would provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas.
Sen. Goldwater (for himself and Sen. Hayden) submitted an amendment which he intends to propose to this bill. Sen. Aiken (for himself and Sens. Hickenlooper, Schoeppel, Holland, and Anderson) submitted an amendment in the nature of a substitute which they intend to propose to the bill. (p. 11896.)
9. FOREIGN AID. Continued debate on H. R. 9678, the mutual security authorization bill for 1955 (pp. 11900-29, 11956-63).
10. SUPPLEMENTAL APPROPRIATION BILL, 1955. The Appropriations Committee ordered this bill reported with amendments (p. D913).
11. FLOOD CONTROL. The Public Works Committee reported with amendments H. R. 9859, the omnibus flood control bill (S. Rept. 2007)(p. 11892).
12. MINERALS; PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment S. 3071, to amend the act authorizing agricultural entries under the non-mineral-land laws of certain mineral lands (S. Rept. 2009)(p. 11893).
13. FARM LOANS. Passed as reported H. R. 8152, to extend to June 30, 1955, the authority of the Veterans' Administration for direct home and farmhouse loans under the Servicemen's Readjustment Act, and to make additional funds available therefor (pp. 11926-7).
14. TAXATION. Agreed to the conference report on H. R. 8300, to revise the internal revenue laws (pp. 11929-54). This bill will now be sent to the President. Sens. Morse and Humphrey discussed an amendment which had been proposed by Sen. Humphrey regarding grain storage facilities and the contemplated purchase by CCC of additional facilities (pp. 11942-4).
15. PERSONNEL. Sen. Williams inserted and discussed an amendment which he intends to propose (on behalf of himself and Sen. Schoeppel) to H. R. 7774, the incentive awards bill. The amendment would prevent persons who are convicted of certain crimes from participating under the Civil Service Retirement Act, but would provide for refunds to such persons of the amounts which they had contributed to the retirement fund. (p. 11897.)
16. FOREIGN AID. Sen. Wiley commended the technical assistance program and inserted newspaper editorials on this matter (p. 11899).
17. NOMINATION of Lawrence Quincy Mumford, to be Librarian of Congress, was confirmed (p. 11964).

BILLS APPROVED BY THE PRESIDENT

18. RECLAMATION. H. R. 6786, authorizing Interior to purchase improvements or pay damages for removal of improvements located on U. S. public lands in the

House of Representatives

THURSDAY, JULY 29, 1954

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we are again turning unto Thee in the sacred attitude of prayer, compelled by needs which Thou above canst supply and constrained by a love that is far beyond all our human understanding.

Inspire us now with a stronger conviction of the power of spiritual ideals and principles as we struggle against the forces of evil which are seeking to conquer and enslave the world.

Grant that in our longings and labors for peace on earth and good will among men we may never feel that we are following a forlorn hope or a vague impossibility.

May we daily be strengthened and sustained by a clear vision of the triumph of reason and righteousness and the assurance that Thou art able to do for us exceeding abundantly above all we can ask or think.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 102. Concurrent resolution to make corrections in the enrollment of H. R. 7839.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3137. An act to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 9757) entitled "An act to amend the Atomic Energy Act of 1946, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. BRICKER, Mr. JOHNSON of Colorado, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the com-

mittee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) entitled "An act to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities."

INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

The SPEAKER. The unfinished business is the question of the passage of the bill (H. R. 9756) to increase the borrowing power of the Commodity Credit Corporation.

The question was taken and the Speaker announced that the ayes seemed to have it.

Mr. JAVITS. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors; the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 317, nays 57, not voting 58, as follows:

[Roll No. 125]

YEAS—317

Abbitt	Brownson	Dowdy
Abernethy	Broyhill	Doyle
Adair	Buchanan	Durham
Albert	Budge	Edmondson
Alexander	Burdick	Elliott
Allen, Calif.	Burleson	Ellsworth
Allen, Ill.	Bush	Engle
Andersen,	Byrnes, Wis.	Fenton
H. Carl	Campbell	Fernandez
Andresen,	Cannon	Fisher
August H.	Carlyle	Ford
Andrews	Carnahan	Forrester
Arends	Carrigg	Fountain
Ashmore	Cederberg	Frazier
Aspinall	Chelf	Frelinghuysen
Auchincloss	Chenoweth	Gathings
Ayres	Chiperfield	Gentry
Bailey	Church	George
Baker	Clevenger	Golden
Barden	Cole, Mo.	Goodwin
Battle	Cole, N. Y.	Gordon
Beamer	Colmer	Graham
Belcher	Condon	Grant
Bender	Cooley	Gregory
Bennett, Fla.	Coon	Gross
Bentley	Cooper	Gubser
Berry	Corbett	Hagen, Calif.
Betts	Crosser	Hagen, Minn.
Bishop	Crumpacker	Haie
Boggs	Cunningham	Haley
Bolling	Curtis, Mass.	Halieck
Bolton,	Curtis, Mo.	Hand
Frances P.	Dague	Harden
Bolton,	Davis, Ga.	Hardy
Oliver P.	Davis, Wis.	Harrison, Va.
Bonin	Dawson, Utah	Harvey
Bonner	Deane	Hays, Ark.
Bow	Dempsey	Hays, Ohio
Bowier	Devereux	Herlong
Boykin	D'Ewart	Hiestand
Bramblett	Dies	Hill
Bray	Dodd	Hillelson
Brooks, Tex.	Dolliver	Hillings
Brown, Ga.	Dondero	Hinshaw
Brown, Ohio	Dorn, S. C.	Hoffman, Ill.

Holifield	Miller, Md.
Holmes	Miller, Nebr.
Holt	Mills
Hope	Mollohan
Horan	Moss
Hosmer	Moulder
Hruska	Mumma
Hunter	Natcher
Hyde	Neal
Ikard	Neison
Jackson	Norblad
James	Norrell
Jarman	Oakman
Jenkins	O'Brien, Ill.
Johnson, Calif.	O'Brien, N. Y.
Johnson, Wis.	O'Hara, Ill.
Jonas, Ill.	O'Hara, Minn.
Jonas, N. C.	Ostertag
Jones, Ala.	Passman
Jones, Mo.	Patman
Jones, N. C.	Patterson
Judd	Pelly
Karsten, Mo.	Pfost
Kearney	Phillips
Kee	Pilcher
Kelley, Pa.	Pillion
Kersten, Wis.	Poage
Kilday	Poff
King, Calif.	Polk
Kirwan	Preston
Kluczyński	Price
Knox	Prouty
Krueger	Rabaut
Laird	Radwan
Landrum	Rains
Lanham	Ray
LeCompte	Rayburn
Lesinski	Reams
Lipscomb	Reece, Tenn.
Lovre	Reed, Ill.
McCarthy	Reed, N. Y.
McConnell	Rees, Kans.
McCormack	Rhodes, Ariz.
McCulloch	Rhodes, Pa.
McDonough	Richards
McGregor	Riehlman
McIntire	Riley
McMillan	Rivers
McVey	Roberts
Mack, Ill.	Robeson, Va.
Mack, Wash.	Robson, Ky.
Madden	Rogers, Colo.
Magnuson	Rogers, Fla.
Mahon	Rogers, Mass.
Marshall	Rogers, Tex.
Martin, Iowa	Sadlak
Matthews	St. George
Meador	Saylor
Merrill	Schenck
Morrow	Scudder
Metcalf	Seely-Brown
Miller, Calif.	Selden
Miller, Kans.	Shafer

NAYS—57

Addonizio	Fine	Kelly, N. Y.
Bates	Fino	Keogh
Becker	Fogarty	King, Pa.
Boland	Forand	Klein
Bosch	Friedel	Latham
Busbey	Fulton	Mason
Eyrd	Gambie	Miller, N. Y.
Byrne, Pa.	Garmatz	Morano
Canfield	Gary	Multer
Celler	Gavin	Nicholson
Chudoff	Granahan	O'Neill
Delaney	Green	Osmer
Derounian	Heslton	Philbin
Dollinger	Hess	Rodino
Donohue	Hoffman, Mich.	Rooney
Donovan	Holtzman	Scherer
Dorn, N. Y.	Javits	Scott
Eberhart	Kean	Sheehan
Fallon	Keating	Yates

NOT VOTING—58

Angell	Brooks, La.	Coudert
Barrett	Buckley	Cretella
Bennett, Mich.	Chatham	Curtis, Nebr.
Bentsen	Clardy	Davis, Tenn.
Blatnik	Cotton	Dawson, Ill.

Dingell	Lantaff	Regan
Evins	Long	Roosevelt
Feighan	Lucas	Scrivner
Gwinn	Lyle	Secrest
Harris	Machrowicz	Short
Harrison, Nebr.	Mailliard	Sutton
Harrison, Wyo.	Morgan	Vinson
Hart	Morrison	Warburton
Hébert	Murray	Weichel
Hoeven	O'Brien, Mich.	Wheeler
Howell	O'Konski	Wigglesworth
Jensen	Patten	Williams, N. J.
Kearns	Perkins	Willis
Kilburn	Powell	
Lane	Priest	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hoeven with Mr. Chatham.
 Mr. Short with Mr. Brooks of Louisiana.
 Mr. Wigglesworth with Mr. Hébert.
 Mr. Kilburn with Mr. Morrison.
 Mr. Clardy with Mr. Roosevelt.
 Mr. Angell with Mr. Vinson.
 Mr. Mailliard with Mr. Willis.
 Mr. Curtis of Nebraska with Mr. Lane.
 Mr. Harrison of Nebraska with Mr. Barrett.
 Mr. Cotton with Mr. Long.
 Mr. Bennett of Michigan with Mr. Evins.
 Mr. Kearns with Mr. Dingell.
 Mr. O'Konski with Mr. Powell.
 Mr. Gwinn with Mr. Buckley.
 Mr. Cretella with Mr. Machrowicz.
 Mr. Weichel with Mr. Williams of New Jersey.
 Mr. Jensen with Mr. Priest.
 Mr. Scrivner with Mr. O'Brien of Michigan.
 Mr. Coudert with Mr. Lantaff.
 Mr. Harrison of Wyoming with Mr. Feighan.
 Mr. Warburton with Mr. Perkins.

Mr. DORN of New York changed his vote from "yea" to "nay."

Mr. BOSCH changed his vote from "yea" to "nay."

Mr. KING of Pennsylvania changed his vote from "yea" to "nay."

Mr. GAVIN changed his vote from "yea" to "nay."

Mr. FALLON changed his vote from "yea" to "nay."

Mr. EBERHARTER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

ADJOURNMENT DATE OF CONGRESS

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Con. Res. 265) and ask for its immediate consideration. The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring therein), That the two Houses of Congress shall adjourn on Saturday, July 31, 1954, and that when they adjourn on said day they stand adjourned sine die.

Mr. HALLECK. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 183, nays 193, not voting 56, as follows:

[Roll No. 126]

YEAS—183

Abbutt	Gentry	Norblad
Adair	George	Oakman
Allen, Calif.	Golden	O'Konski
Allen, Ill.	Goodwin	Osmers
Arends	Graham	Patterson
Auchincloss	Gubser	Pelly
Ayres	Gwinn	Phillips
Baker	Hale	Pillion
Barden	Halleck	Poage
Bates	Hand	Poff
Beamer	Harden	Preston
Becker	Harvey	Prouty
Belcher	Hess	Radwan
Bender	Hilestand	Ray
Bentley	Hill	Reams
Berry	Hillelson	Reece, Tenn.
Betts	Hillings	Reed, Ill.
Bishop	Hinshaw	Reed, N. Y.
Bolton	Hoffman, Ill.	Rees, Kans.
Frances P.	Hoffman, Mich.	Rhodes, Ariz.
Bonin	Holmes	Riehlman
Bonner	Holt	Rivers
Bosch	Horan	Robeson, Va.
Bow	Hosmer	Robson, Ky.
Boykin	Hruska	Rogers, Colo.
Bramblett	Hunter	Rogers, Fla.
Brown, Ohio	Hyde	St. George
Brownson	Jackson	Scherer
Broyhill	James	Scudder
Budge	Jenkins	Shafer
Bush	Johnson, Calif.	Sheehan
Byrnes, Wls.	Jonas, N. C.	Shuford
Canfield	Jones, N. C.	Simpson, Pa.
Carrigg	Kean	Small
Chenoweth	Kearney	Smith, Kans.
Chiperfield	Kersten, Wis.	Smith, Va.
Church	Kling, Pa.	Smith, Wis.
Clevenger	Knox	Springer
Cole, N. Y.	Krueger	Stauffer
Colmer	Laird	Taber
Cooley	Latham	Talle
Coon	LeCompte	Taylor
Crumpacker	Lipscomb	Thompson, Mich.
Cunningham	Lovre	Tollefson
Curtis, Mass.	McConnell	Tuck
Curtis, Mo.	McCulloch	Utt
Dague	McDonough	Van Pelt
Davis, Wls.	McGregor	Velde
Derounian	McIntire	Vorys
Devereux	McVey	Wampler
D'Ewart	Mack, Wash.	Westland
Dles	Martin, Iowa	Wharton
Dolliver	Meador	Widnall
Dondero	Merrill	Williams, N. Y.
Durham	Morrow	Wilson, Calif.
Ellsworth	Miller, Md.	Wilson, Ind.
Fenton	Miller, Nebr.	Wilson, Tex.
Fisher	Miller, N. Y.	Wolcott
Ford	Mumma	Young
Frelinghuysen	Neal	Younger
Gamble	Nelson	
Gavin	Nicholson	

NAYS—193

Abernethy	Cooper	Gordon
Addonizio	Corbett	Granahan
Albert	Crosser	Grant
Alexander	Davis, Ga.	Green
Andersen	Dawson, Ill.	Gregory
H. Carl	Dawson, Utah	Gross
Andresen	Deane	Hagen, Calif.
August H.	Delaney	Hagen, Minn.
Andrews	Dempsey	Haley
Ashmore	Dodd	Hardy
Aspinall	Dollinger	Harrison, Va.
Bailey	Donohue	Hart
Battle	Donovan	Hays, Ark.
Bennett, Fla.	Dorn, N. Y.	Hays, Ohio
Blatnik	Dorn, S. C.	Herlong
Boggs	Dowdy	Heseltun
Boland	Doyle	Holifield
Bolling	Eberhart	Holtzman
Bowler	Edmondson	Hope
Bray	Elliott	Howell
Brooks, Tex.	Engle	Ikard
Brown, Ga.	Fallon	Jarman
Buchanan	Felghan	Javits
Burdick	Fernandez	Johnson, Wis.
Burleson	Fine	Jonas, Ill.
Byrd	Flno	Jones, Ala.
Byrne, Pa.	Fogarty	Jones, Mo.
Campbell	Forand	Judd
Cannon	Forrester	Karsten, Mo.
Carlyle	Fountain	Keating
Carnahan	Frazier	Kee
Celler	Friedel	Kelley, Pa.
Chelf	Fulton	Kelly, N. Y.
Chudoff	Garmatz	Kilday
Cole, Mo.	Gary	Kling, Calif.
Condon	Gathings	Kirwan

Klein	O'Neill	Sikes
Kluczynski	Ostertag	Simpson, Ill.
Landrum	Passman	Smith, Miss.
Lanham	Patman	Spence
Lantaff	Patten	Staggers
Lesinski	Pfost	Steed
McCarthy	Philbin	Stringfellow
McCormack	Philcher	Sullivan
McMillan	Polk	Teague
Mack, Ill.	Price	Thomas
Madden	Rabaut	Thompson, Tex.
Magnuson	Rains	Thornberry
Mahon	Rhodes, Pa.	Trimble
Marshall	Richards	Van Zandt
Matthews	Riley	Vursell
Metcalf	Roberts	Wainwright
Miller, Calif.	Rodino	Walter
Miller, Kans.	Rogers, Mass.	Watts
Mills	Rogers, Tex.	Whitten
Mollohan	Rooney	Wickersham
Morano	Sadlak	Wier
Moss	Saylor	Williams, Miss.
Multer	Schenck	Williams, N. J.
Natcher	Scott	Winstead
Norrell	Seely-Brown	Withrow
O'Brien, Ill.	Selden	Wolverton
O'Brien, N. Y.	Shelley	Yates
O'Hara, Ill.	Sheppard	Yorty
O'Hara, Minn.	Sieminski	Zablocki

NOT VOTING—56

Angell	Harris	Murray
Barrett	Harrison, Nebr.	O'Brien, Mich.
Bennett, Mich.	Harrison, Wyo.	Perkins
Bentsen	Hébert	Powell
Bolton	Hoeven	Priest
Oliver P.	Jensen	Rayburn
Brooks, La.	Kearns	Regan
Buckley	Keogh	Roosevelt
Busbey	Kilburn	Scrivner
Cederberg	Lane	Secrest
Chatham	Long	Short
Clardy	Lucas	Sutton
Cotton	Lyle	Thompson, La.
Coudert	Machrowicz	Vinson
Cretella	Mailliard	Warburton
Curtis, Nebr.	Mason	Weichel
Davis, Tenn.	Morgan	Wheeler
Dingell	Morrison	Wigglesworth
Evins	Moulder	Willis

So the concurrent resolution was rejected.

Mr. KERSTEN of Wisconsin changed his vote from "nay" to "yea."

Messrs. JUDD, DAWSON of Utah, BOGGS, SHEPPARD, JONAS of Illinois, FINO, DORN of New York, MORANO, BRAY changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

CORRECTIONS IN ENROLLMENT OF HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate concurrent resolution (S. Con. Res. 102) making corrections in the enrollment of H. R. 7839.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H. R. 7839) entitled "An act to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities," the Clerk of the House is authorized and directed to make the following corrections:

In the third sentence of section 221 (g) (3) of the National Housing Act, as added to that act by section 123 of the bill, insert the words "is assigned to the Commissioner," the clause "shall mature 10 years after such date."

In section 100 of the Housing Act of 1949, as added to that act by section 301 of the bill, substitute "sections 102 and 103" for "sections 103 and 104."

In section 613 of the act entitled "An act to expedite the provision of housing in con-

H. R. 9756

IN THE SENATE OF THE UNITED STATES

JULY 30 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To increase the borrowing power of Commodity Credit Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 of the Act approved March 8, 1938 (52
4 Stat. 108), as amended, is amended by striking out “\$8,500,-
5 000,000” and inserting in lieu thereof “\$10,000,000,000”.

6 SEC. 2. Section 4 (i) of the Commodity Credit Cor-
7 poration Charter Act (62 Stat. 1070), as amended, is
8 amended by striking out “\$8,500,000,000” and inserting in
9 lieu thereof “\$10,000,000,000”.

Passed the House of Representatives July 29, 1954.

Attest:

LYLE O. SNADER,

Clerk.

83d CONGRESS
2d Session

H. R. 9756

AN ACT

To increase the borrowing power of Commodity
Credit Corporation.

JULY 30 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on
Agriculture and Forestry

Calendar No. 2499

83^D CONGRESS
2^D SESSION

H. R. 9756

[Report No. 2470]

IN THE SENATE OF THE UNITED STATES

JULY 30 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 11 (legislative day, AUGUST 5), 1954

Reported by Mr. AIKEN, without amendment

AN ACT

To increase the borrowing power of Commodity Credit
Corporation.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 of the Act approved March 8, 1938 (52
4 Stat. 108), as amended, is amended by striking out “\$8,500,-
5 000,000” and inserting in lieu thereof \$10,000,000,000”.
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7 poration Charter Act (62 Stat. 1070), as amended, is
8 amended by striking out “\$8,500,000,000” and inserting in
9 lieu thereof “\$10,000,000,000”.

Passed the House of Representatives July 29, 1954.

Attest:

LYLE O. SNADER,

Clerk.

83^d CONGRESS
2^d Session

H. R. 9756

[Report No. 2470]

AN ACT

To increase the borrowing power of Commodity
Credit Corporation.

JULY 30 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on
Agriculture and Forestry

AUGUST 11 (legislative day, AUGUST 5), 1954

Reported without amendment

BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

AUGUST 11 (legislative day, AUGUST 5), 1954.—Ordered to be printed

Mr. AIKEN, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H. R. 9756]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation, having considered same, report thereon with a recommendation that it do pass without amendment.

The bill increases the borrowing authority of the Commodity Credit Corporation from \$8.5 billion to \$10 billion, which is believed necessary to assure that the Department of Agriculture will be able to carry out the price-support program as provided by law. On May 31, 1954, the Corporation had in use \$6,137.5 million of its \$8.5 billion borrowing authority, and the Department estimates that \$6.4 billion was in use as of June 30, 1954. When H. R. 9756 was referred to your committee on July 30, the Department estimated that the peak use of its borrowing authority through January 1955 would be \$8.4 billion, and that under certain circumstances including record crops, record percentages of crops placed under price support, and small receipts from repayments, a total of \$9.8 billion would be in use. This estimate was based upon the crop-production report as of July 1, and since the August 1 crop report has been available, the Department estimates the probable peak commitment will be \$267 million less than previously estimated. However, its estimate of a possible commitment of \$9.8 billion remains unchanged.

Your committee recognizes that these estimates are based upon a number of factors such as market prices, weather, and exports, each of which is variable. Under these circumstances it is impossible to predict future commitments with any great degree of accuracy.

2 BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

However, it is necessary to provide the Corporation enough funds through its borrowing power to carry out the Government's commitments under the price-support program, and it is recommended, therefore, that the Corporation's borrowing authority be increased at this time to \$10 billion, which will provide an adequate margin of safety. The funds will not be borrowed, of course, if they are not needed.

The letter from the Secretary of Agriculture requesting enactment of this legislation is attached hereto as a part of this report.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 30, 1954.

HON. GEORGE D. AIKEN,
United States Senate.

DEAR SENATOR AIKEN: Recent estimates of 1954 crop production indicate that the present borrowing authority of the Commodity Credit Corporation, \$8.5 billion, may not be sufficient for price-support operations after November 1954. It appears probable that our needs for the current and preceding crops will be in excess of \$9 billion. Therefore, we are asking that the borrowing authorization be increased to \$10 billion. This would permit us a margin of safety to continue operations until after the Congress returns in January.

Farmers are reducing their acreages of the 1954 crops of cotton, corn, and wheat. But they are fertilizing heavily and are diverting some of these acres to other crops. Among these are soybeans, flax, and sorghums, and others on which price support has been offered.

Our commitments are very heavy, and must be honored. To fail in the carrying out of our programs would be a breach of faith with American farmers.

Sincerely yours,

EZRA T. BENSON, *Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF MARCH 8, 1938, AS AMENDED

* * * * *

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding **[\$8,500,000,000]** *\$10,000,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In any event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation

issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

* * * * *

COMMODITY CREDIT CORPORATION CHARTER ACT

* * * * *

SFC. 4. GENERAL POWERS.—The Corporation

* * * * *

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate **[\$8,500,000,000]** \$10,000,000,000. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

* * * * *



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 16, 1954
For actions of August 13 & 14, 1954
83rd-2nd, No. 157 & 158

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HIGHLIGHTS./ AUG. 13: Senate rejected conference report on atomic energy bill. Senate passed public debt increase bill. Senate passed bill expanding social security program. Senate made foreign-aid appropriation bill its unfinished business.

AUG. 14: Senate passed foreign-aid appropriation bill. Sen. Gillette urged House action on bill to place coffee trading under CEA. Sen. Symington spoke in favor of including additional county in Mo. area designated for emergency drought aid.

SENATE, AUG. 13

1. ATOMIC ENERGY. Rejected, 48 to 41, and sent back to conference H. R. 9757, the atomic energy bill. Senate conferees were appointed. (pp. 13638-64.) For provisions of the conference report see Digest 153.
2. PUBLIC DEBT. Passed as reported H. R. 6672, to increase temporarily until June 30, 1955, the public debt limit by \$6 billion (pp. 13674-80). The bill as passed by the House provided for an increase in the debt limit from \$275 billion to \$290 billion without a time limitation.
Sen. Morse spoke in favor of this bill as passed by the Senate (p. 13741).
3. CCC BORROWING POWER. Sen. Holland submitted an amendment intended to be proposed by him to H. R. 9756, to increase the borrowing power of CCC from \$8.5 billion to \$10 billion (p. 13744).
4. FOREIGN-AID APPROPRIATION BILL, 1955. This bill, H. R. 10051, was made the unfinished business (p. 13739).

5. SOCIAL SECURITY; FARM LABOR. Passed with amendments H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers who are paid at least \$50 in cash wages by one employer in a calendar quarter (pp. 13664, 13680-7, 13689-739). Agreed to the committee amendments en bloc (pp. 13683-4). Agreed to a Sen. Smathers' (for himself and Sen. Holland) amendment which eliminates coverage of workers from Jamaica, Bahamas, and the British West Indies who are brought into Fla. yearly on a temporary basis to perform agricultural labor (pp. 13685-6). Rejected Sen. Stennis amendments which would have restored the present law with respect to coverage of farm workers (pp. 13726-8). Senate conferees were appointed (p. 13739). House conferees have not been appointed.

ITEMS IN APPENDIX

6. FARM PROGRAM. Sen. Thye inserted a Mankato (Minn.) Free Press article opposing any reduction in price supports "... until other essential adjustments of the Nation's economy have been achieved" (p. A6026).
7. PERSONNEL. Extension of remarks of Rep. Martin, Ia., endorsing the President's loyalty program and inserting portions of Philip Young's, CSC, testimony before the Senate Civil Service Committee in which he outlined the employee security program (p. A6025).
8. TVA. Sen. Kefauver inserted Geo. Dempster's, pres., Citizens for TVA, Inc., statement outlining the development of TVA programs and the benefits derived from these programs including agricultural efforts and forestry program (pp. A6033-4).

BILLS INTRODUCED - AUG. 13

9. ATOMIC ENERGY. S. J. Res. 184, by Sen. Knowland, to amend the Atomic Energy Act of 1946, as amended; to Joint Committee on Atomic Energy (p. 13631).
10. PERSONNEL. S. 3868, by Sen. Knowland, authorizing the payment of salary to any individual given a recess appointment as Comptroller General of the U. S. before the beginning of the 84th Congress, ordered to lie on the table (p. 13744).

BILLS APPROVED BY THE PRESIDENT

11. CREDIT UNIONS. S. 3683, to amend the D. C. Credit Unions Act. Approved August 10, 1954 (Public Law 576, 83rd Cong.).
12. WATER COMPACTS. S. 3699, granting Federal approval to the interstate compact on the Sabine River. Approved August 10, 1954 (Public Law 578, 83rd Cong.).

SENATE, AUG. 14

13. FOREIGN-AID APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 10051 (pp. 13775-814). Agreed to the committee amendments en bloc (pp. 13776-7). Agreed to a Sen. McCarran amendment to provide that the surplus commodities to be made available to Spain (in the amount of \$55 million in unobligated balances) shall be made available under section 402 of the Mutual

Calendar No. 2499

83^D CONGRESS
2^D SESSION

H. R. 9756

IN THE SENATE OF THE UNITED STATES

AUGUST 13 (legislative day, AUGUST 5), 1954

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation, viz: At the end of the bill add the following new section:

1 SEC. 3. (a) Section 8e of the Agricultural Adjustment
2 Act (of 1933), as amended, and as reenacted and amended
3 by the Agricultural Marketing Agreement Act of 1937, as
4 amended, is amended by inserting after "avocados" a
5 comma and the word "mangoes".

6 (b) The amendment made by this section shall be-
7 come effective upon the enactment of this Act or upon the
8 enactment of the Agricultural Act of 1954, whichever
9 occurs later.

83^d CONGRESS
2^d Session

H. R. 9756

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation.

AUGUST 13 (legislative day, AUGUST 5), 1954
Ordered to lie on the table and to be printed

the past year (exhibit A). You will notice that the total per day for the week ending July 23, was 1,157,300 barrels of oil coming into this country. A year ago it was 939,000 barrels. You can see that for the past year it has been running around 1 million or more barrels per day.

Also on the same page you will note that total oil exports for the first 5 months of 1954 are down 19 percent from the same period in 1953 (exhibit B).

Texas has 150,000 oil wells producing at this time. In the month of July, Texas reduced her production 190,000 barrels per day; and on August 1, Texas had to reduce an addition 120,000 barrels per day, which makes a total cut of 310,000 barrels in Texas daily production in the last 2 months. This is really very, very hard on the independent producers.

The reason we had to reduce our production was because too much oil was in storage and too much products are on hand.

I am attaching the latest storage figures to this letter so you can see the condition of stocks on hand above ground (exhibit C). Excessive stocks above ground are wasteful, and it is our duty to limit production to the market demand; namely, the amount that can be sold.

I am of the firm conviction that imported crude and products of petroleum have now reached the point where they are sup-

planting domestic crude rather than supplementing our supply. I think this is an understatement, in view of the fact that Texas oil wells are being permitted under order to produce only 15 days during the month of August, and required to be shut down 16 days.

It seems obvious that when the greatest oil producing State in our Nation is compelled to shut down more than one-half the time during the midst of the big gasoline-consuming season, certainly imports are supplanting domestic production to the detriment of our State's economy and vitally adversely affecting the revenues of our State.

You know, 56 percent of our Texas State government revenues come from oil.

This sort of situation must not be allowed to continue, because it will mean the discouragement of drilling in this country and will endanger our supply of oil for defense of our country. We cannot depend upon foreign oil for national security, because, come war, foreign oil would be denied us through sinking of tankers.

It is all right to have a reasonable amount of imports of crude into our country, but it should not be at a point that adversely affects our peacetime economy or our national security.

Sincerely yours,

ERNEST O. THOMPSON.

EXHIBIT A.—Crude and product imports

[Figures are in barrels per day]

	East of California						California crude oil	United States total im- ports
	Crude oil	Residual fuel oil	Distillate fuel oil	Asphalt	Others	Total		
1954								
Week ended—								
July 23.....	681,600	314,300	25,800	15,300	39,400	1,076,400	80,900	1,157,300
July 16.....	565,700	261,200	13,900	25,000	5,300	871,100	107,700	978,800
July 9.....	637,500	327,600	9,700	12,300	9,900	997,000	62,700	1,059,700
July 2.....	630,200	230,400	25,900	12,900		899,400	48,700	948,100
June 25.....	539,100	350,600	18,800		25,000	933,500		933,500
June 18.....	624,200	253,200	31,600	25,100	9,500	943,600	30,400	974,000
June 11.....	450,500	267,200	24,400		25,500	767,600	31,600	799,200
June 5.....	675,900	369,000	12,400	15,400	19,000	1,091,700	53,600	1,145,300
May 29.....	771,000	250,400	5,000		18,700	1,045,100	111,400	1,156,500
May 22.....	708,800	336,700	16,800	4,000	12,600	1,078,900	23,200	1,102,100
May 15.....	510,200	219,600	15,700	21,100	22,200	788,800	40,900	829,700
May 8.....	654,300	327,900	17,500		15,700	1,015,400	55,000	1,070,400
May 1.....	494,300	262,400	5,000	7,400	9,500	778,600		778,600
Apr. 24.....	661,200	285,300	15,400	15,800	25,200	1,002,900	19,100	1,022,000
Apr. 17.....	336,100	344,400	36,800	1,200	9,800	728,300	16,600	744,900
Apr. 10.....	591,200	337,900	5,000		24,500	958,600	92,000	1,050,600
Apr. 3.....	483,800	282,800	5,000	7,300	19,000	797,900	28,900	826,800
Mar. 27.....	655,100	357,700	5,000		43,000	1,060,800		1,060,800
Mar. 20.....	676,600	436,200	5,000	12,700	9,800	1,140,300	71,900	1,212,200
Mar. 13.....	512,700	289,100	27,000	4,300	28,200	861,300	61,700	923,000
Mar. 6.....	551,200	520,000	10,000	11,000	15,600	1,107,800	5,700	1,113,500
Feb. 27.....	596,500	432,000	20,100	9,900	25,300	1,083,800	30,300	1,114,100
Feb. 20.....	641,100	528,300	10,000	7,300	18,700	1,205,400	83,300	1,288,700
Feb. 13.....	501,800	398,300	5,000		41,500	946,600	135,700	1,082,300
Feb. 6.....	501,700	536,300	5,000	9,800	400	1,053,200	84,700	1,137,900
Jan. 30.....	768,400	462,300	5,000		17,500	1,253,200		1,253,200
Jan. 23.....	472,100	529,900	5,000	9,800	47,700	1,064,500	24,000	1,088,500
Jan. 16.....	682,400	436,900	24,000		5,200	1,148,500	24,000	1,172,500
Jan. 9.....	493,100	353,700	5,000	7,400	8,800	868,000	114,300	982,300
Jan. 2.....	598,800	452,200	7,500	6,400	400	1,065,300	39,100	1,104,400
1953								
Week ended—								
Dec. 26.....	340,400	457,000	17,700	10,600	25,600	851,300	116,600	967,900
Dec. 19.....	688,900	366,700	10,800		19,200	1,085,600		1,085,600
Dec. 12.....	529,600	520,200	8,400	9,700	9,000	1,076,900	19,100	1,096,000
Dec. 5.....	486,300	321,300	5,000	7,900	25,900	846,400	67,100	913,500
Nov. 23.....	580,500	532,900	5,000		18,700	1,137,100	29,600	1,166,700
Nov. 21.....	468,500	315,900	7,400	17,200		809,000	86,700	895,700
Nov. 14.....	631,600	484,600	5,000		25,400	1,146,600	143,000	1,289,600
Nov. 7.....	496,600	344,300	5,000	7,300	8,800	862,000	74,400	936,400
Oct. 31.....	606,500	381,600	11,400		9,200	1,008,700	68,200	1,076,900
Oct. 24.....	530,400	266,500	5,000	3,300	9,000	814,200	37,000	851,200
Oct. 17.....	599,900	298,800	5,000	4,000	27,100	934,800	48,900	983,700
Oct. 10.....	650,400	209,700	5,000	18,000		883,100	137,100	1,020,200
Oct. 3.....	720,100	369,900	17,200	3,400	24,400	1,135,000	126,600	1,261,600
Sept. 26.....	489,800	293,600	11,400		8,900	803,700	59,300	863,000
Sept. 19.....	619,700	347,500	5,000	23,000	14,000	1,009,200	79,000	1,088,200
Sept. 12.....	487,600	342,700	5,000			835,300	110,600	945,900
Sept. 5.....	616,900	240,400	5,000	7,100		869,400	151,600	1,021,000
Aug. 29.....	733,300	229,700	11,400	17,900	14,300	1,006,600	55,400	1,062,000
Aug. 22.....	440,200	206,800	21,700	10,700	10,300	689,700	137,000	826,700
Aug. 15.....	570,600	246,600	5,000	14,200	9,900	846,300	60,300	906,600
Aug. 8.....	557,400	202,700	5,000			765,100	115,100	880,200
Aug. 1.....	547,600	270,800	5,000	14,600		838,000	91,900	929,900
July 25.....	555,500	318,400	12,000		10,400	896,300	42,700	939,000

EXHIBIT B

[From the Oil Daily of July 30, 1954]

TOTAL OIL EXPORTS FOR 5 MONTHS DOWN
19.2 PERCENT FROM 1953

Exports of crude and refined oil for the January-May period of 1954 held 19.2 percent below the like 5-month period a year ago.

Exports for May 1954 alone held 3.2 percent below May 1953, according to the latest report of the Bureau of Mines.

Total exports in the 5-month period amounted to 52,893,000 barrels, off 12,601,000 from 65,494,000 a year earlier. For May, total exports at 11,577,000 barrels dipped 376,000 from 11,953,000 for May a year ago.

Crude oil exported in the January-May period totaled 5,932,000 barrels, off 44.3 percent from 10,837,000 in the like year earlier period. For the latest reported month, crude exports totaled 1,258,000 barrels, off 21.9 percent from 1,611,000 for May 1953.

Refined petroleum exported from the United States in the first 5 months of 1954 at 46,691,000 barrels dipped 14.1 percent from 54,657,000 exported in the like 1953 period. May refined product exports totaled 10,319,000 barrels, off 0.2 percent from 10,342,000 exported in May 1953.

EXHIBIT C.—Latest petroleum stock figures

[In barrels]

[Products, July 23; crude, July 24; with changes from year earlier]

Crude oil.....	279,885,000	-225,000	(-0.1%)
Gasoline.....	158,844,000	+17,136,000	(+12.1%)
Distillate.....	98,412,000	+582,000	(+0.6%)
Kerosene.....	31,069,000	+1,196,000	(+4.0%)
Residual.....	53,585,000	+4,699,000	(+9.6%)
Total.....	621,795,000	+23,388,000	(+3.9%)

Mr. DANIEL. I shall take the liberty of sending these letters and exhibits to the President of the United States along with my remarks. I hope that President Eisenhower and the appropriate agencies of his administration will study this problem in order that recommendations may be made to Congress in January.

It seems to me that this is an appropriate subject for study by the President's newly appointed Cabinet Committee on Energy, Supplies, and Resources.

I know that President Eisenhower is conscious of the need to preserve and protect our domestic industry while we are helping to promote the welfare of other nations. On May 28, 1953, the President approved a statement by Secretary of the Interior Douglas McKay to the National Petroleum Council, the part of which reads as follows:

I am hopeful that those companies importing crude oil or products will show industrial statesmanship in this important matter and that each company, acting individually and wholly on its own individual judgment, will exercise that restraint in respect of imports necessary to the health and security of the Nation.

I have discussed this matter with President Eisenhower and the National Security Council. I can say to you that President Eisenhower concurs in these views.

Later, in his state-of-the-Union message, January 4, 1954, President Eisenhower said that recommendations would be made, from time to time, in various fields. He said one of these would lead to the adoption of a sound program for safeguarding the domestic production of critical and strategic metals and minerals. It is my hope that the President will include the oil-import problem in his recommendations to the Congress next year.

I thank the Senator.

ADDITIONAL BILLS INTRODUCED

Mr. KNOWLAND, by unanimous consent, introduced a bill (S. 3868) authorizing the payment of salary to any individual given a recess appointment as Comptroller General of the United States before the beginning of the 84th Congress, which was read twice by its title, and ordered to lie on the table.

EXTENSION OF RENEGOTIATION ACT OF 1951—AMENDMENT

• Mr. MARTIN submitted an amendment intended to be proposed by him to the bill (H. R. 6287) to extend and amend the Renegotiation Act of 1951, which was ordered to lie on the table and to be printed.

SOCIAL SECURITY AMENDMENTS OF 1954—AMENDMENTS

Mr. HUMPHREY submitted amendments intended to be proposed by him

to the bill (H. R. 9366) to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes, which were ordered to lie on the table and to be printed.

INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION—AMENDMENT

Mr. HOLLAND submitted an amendment intended to be proposed by him to the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation, which was ordered to lie on the table and to be printed.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CARLSON, from the Committee on Post Office and Civil Service:

One hundred and two postmasters.

RECESS TO 10 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 17 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, August 14, 1954, at 10 o'clock a. m.

SENATE

11. FLOOD CONTROL. Passed, 77 to 2, with amendments H. R. 9859, the omnibus flood control bill, which authorizes \$20,000,000 additional to this Department for work on watersheds. Senate conferees were appointed; (pp. 14118-37.)
12. FOREIGN AID; SURPLUS COMMODITIES. Agreed to the conference report on H. R. 9924 (see item 4 above) (pp. 14076, 14138-9).
13. PERSONNEL. Agreed to the conference report on H. R. 2263, the fringe-benefits personnel bill (p. 14138).
Passed with amendments H. R. 9709, to extend and improve the unemployment compensation program, which includes a provision extending it to approximately 2.5 million Federal employees (pp. 14144-7).
Passed with amendment H. R. 9909, to prohibit payment of Government retirement benefits to persons convicted of certain offenses (pp. 14148-52). Agreed to a Williams amendment extending from 3 to 5 years the statute of limitations on certain crimes (pp. 14149-52).
Sen. Knowland submitted amendments he intends to propose to H. R. 7774, to establish a uniform system of granting incentive awards to Federal employees (p. 14076).
14. COMMODITY CREDIT CORPORATION. The amendment by Sen. Holland (see Digest 157) to H. R. 9756, to increase the borrowing power of CCC from \$8.5 billion to \$10 billion, would include mangoes in the provision which would prohibit imports of certain commodities that do not comply with USDA marketing orders. The amendment also would make this provision effective upon the enactment of H. R. 9756 or the Agricultural Act of 1954, whichever occurs later.
15. NOMINATION. Received the nomination of Herbert Hoover, Jr., to be Under Secretary of State (p. 14170).
16. INVESTIGATIONS; PERSONNEL. Concurred in the House amendments to S. 2308, to give the Attorney General concurrent jurisdiction over investigation of violations of title 18 of the U. S. Code (regarding crimes) by Government officers and employees, except for members of the armed forces and the Post Office Department (p. 14139). This bill will now be sent to the President.
17. CONVENING OF CONGRESS. Passed without amendment H. J. Res. 585, to provide that the 84th Congress shall convene at noon on Wed., Jan. 5, 1955 (p. 14097). This measure will now be sent to the President.
18. COMPTROLLER GENERAL. Passed without amendment S. 3868, to authorize the payment of salary to any individual given recess appointment as Comptroller General of the U. S. before the beginning of the 84th Cong. (pp. 14080-1).
19. LEGISLATIVE PROGRAM. H. R. 9756, increasing the borrowing power of CCC from \$8.5 billion to \$10 billion, was made the unfinished business (p. 14152). The "Daily Digest" states that there will be a call of the calendar and consideration of various conference reports during Wed. (p. D996).

ITEMS IN APPENDIX

20. FARM PROGRAM. Rep. Hunter inserted his summary of the accomplishments of this Congress and the administration in the field of agriculture and related

matters (pp. A6081-6).

Sen. Beall inserted a Baltimore Sun editorial, "An Investment Pays Off," commending the President for the progress of his legislative program and stating that his program, "designed to bring more resiliency into the whole structure of farm supports, was argued before the true farmers of the country as if he and Secretary Benson had never heard of the political farmers" (p. A6098).

Sen. Thye inserted a St. Paul Pioneer Press article, "Benson Strategy," discussing passage of the farm bill and stating that "the result is being widely hailed as a personal triumph for Secretary Benson" (p. A6099).

21. **MARKETING.** Rep. Church inserted a Federal Reserve Bank (Chicago) agricultural letter discussing rising marketing costs and the share of the farmers and the middlemen (pp. A6087-8).

Rep. Hill inserted his recent address before the Annual Convention of the Independent Grocers Alliance discussing the problems of marketing, food distribution, and "the battle against waste of fruit and vegetables" (pp. A6092-3).

22. **TAXATION.** Extension of remarks of Reps. Knox and Berry giving some of the highlights of the new tax law (pp. A6088-90, A6129-30).

23. **DROUGHT RELIEF.** Extension of remarks of Rep. Moulder criticizing the administration of the drought relief program and inserting a Daily Democrat-Leader (Fayette, Mo.) article stating that "we say it is a rotten deal and not worth the price of the airplane tickets Washington spent to send men out here to decide which class of farmer they would try to help" (p. A6101).

Rep. Hill inserted a statement explaining assistance available under the drought-relief program (pp. A6118-9).

24. **FOREIGN TRADE.** Rep. Bailey inserted O. R. Strackbein's (chairman of the Nationwide Committee of Industry, Agriculture, and Labor on Import Policy) statement discussing to what "extent imports may be injurious, a matter of indifference or even helpful" (pp. A6106-8).

25. **FARM LABOR.** Rep. Rooney inserted a Nat'l Catholic Weekly Review America commenting on the Mexican "wetback" problem (p. A6109).

26. **PRICE SUPPORTS.** Sen. Thye inserted a Washington Post and Times Herald editorial and his letter in response to the editorial which he said "clearly and unmistakably" impugn the motives of those Members of the Senate who opposed changing the level of farm price supports (pp. A6119-20).

BILLS INTRODUCED

27. **PERSONNEL; HOLIDAYS.** S. Con. Res. 105, by Sen. Johnston (introduced Aug. 13), to excuse Government employees from work on the afternoon of Aug. 31, 1954, to attend the parade of The American Legion in D. C.; to Post Office and Civil Service Committee.
28. **FARM LOANS.** S. 3877, by Sen. Gillette, to accelerate establishment of comprehensive soil- and water-conserving works on private and public property through provision of appropriate credit for conservation, reforestation, and water-control work; to Agriculture and Forestry Committee (p. 14075). Remarks of author (pp. 14075-6).

Mr. COOPER. I am not speaking of the amendment relating to the statute of limitations. My question relates to the contract.

Mr. MORSE. But let me point out that is not a right.

Mr. WILLIAMS. When these persons accepted public office, they signed or took an oath that they would live up to the laws of the United States and would be loyal to our country. Once they violate that oath of office, the Government has a right to terminate any contract it may have with them.

Mr. COOPER. The Senator from Delaware stated, I believe, that the Attorney General rendered an opinion relating to the statute of limitations. Does the committee have from the Attorney General an opinion on the question of whether payments could be cut off in connection with contract arrangements entered into before the enactment of the bill?

Mr. WILLIAMS. I do not know whether or not the chairman of the committee had such an opinion on the retirement question. Congress does not usually request the Attorney General to state whether Congress can raise or lower the civil-service-retirement benefits. The Senator from Kentucky knows that on many occasions Congress has voted to increase benefits under the system. Congress has full authority in that respect. After all, Congress enacted the law providing such benefits.

In this case we are not proposing to affect any honest employee or loyal citizen. Surely at no time was it ever intended that we should protect and give financial security to a crook, a jailbird, or a traitor to his country.

Mr. COOPER. I am not discussing the merits of the situation; I am discussing the right of Congress.

Mr. WILLIAMS. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MUNDT. Mr. President, on this question, I ask for the yeas and nays.

Mr. WILLIAMS. Mr. President, I request the yeas and nays.

The yeas and nays were not ordered.

Mr. FERGUSON. Mr. President, as I understand, an agreement has been reached between the majority leader and the minority leader that there will be no yea-and-nay votes at this time.

Mr. HENDRICKSON. That is correct.

Mr. FERGUSON. Then we should respect the agreement.

Mr. CLEMENTS. Mr. President, I wish to ask a question of the distinguished Senator from Delaware. In view of the agreement between the majority leader and the minority leader, does the Senator from Delaware wish to request a yea-and-nay vote at this time? Instead, why not defer final action on the bill until tomorrow?

Mr. HENDRICKSON. Mr. President, that was what I had in mind—namely, to lay aside this bill, and have the Senate proceed to consider the conference report on the farm bill. The Senator from Vermont [Mr. AIKEN] has been waiting all afternoon to have the conference report on the farm bill taken up.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. WILLIAMS. Mr. President, on the question of the final passage of House bill 9909, I request a division.

Mr. FERGUSON. Mr. President, I ask for a division.

Mr. CHAVEZ. Mr. President, why should the Senate be governed by what the majority leader and the minority leader say? This is still the Senate of the United States.

The PRESIDING OFFICER. House bill 9909 having been read the third time, the question is, Shall it pass?

The yeas and nays have been requested, but there was not a sufficient second.

Mr. WILLIAMS. Mr. President, on this question, I ask for a division.

Mr. FERGUSON. Mr. President, I join in the request for a division.

The PRESIDING OFFICER. On this question a division is requested.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LANGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

House bill 9909 having been read the third time, the question is, Shall it pass?

On this question a division has been requested.

Mr. WILLIAMS. Yes, Mr. President; I have requested a division on this question.

The PRESIDING OFFICER. A division is requested, and the Senate will proceed to divide.

On a division, the bill (H. R. 9909) was passed.

The PRESIDING OFFICER. Without objection, Senate bill 2631 will be indefinitely postponed.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate recesses tonight, it recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. KNOWLAND. Mr. President, I move that the Senate now proceed to the consideration of Calendar No. 2499, H. R. 9756, a bill to increase the borrowing power of the Commodity Credit Corporation.

The PRESIDING OFFICER. (Mr. REYNOLDS in the Chair) The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 9756) to increase the borrowing power of the Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. KNOWLAND. Mr. President, there is a privileged matter at the desk, namely, the conference report on the farm bill.

AGRICULTURAL ACT OF 1954— CONFERENCE REPORT

Mr. AIKEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9680) to provide for the continued price support for agricultural products, to augment the marketing and disposal of such products, to provide for greater stability in agriculture; and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of Aug. 16, 1954, pp. 13860-13866, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. AIKEN. Mr. President, at this time of the night I am sure the Senate does not wish to have me review the contents of the entire bill, so I shall state the differences between the Senate amendment to H. R. 9680, or the Senate version of the bill, and the bill as it comes from the conference. The conference substitute differs from the Senate amendment to H. R. 9680 in the following respects:

First. The commodity set-aside is to be made "as rapidly as the Secretary of Agriculture shall determine to be practicable." Transfer of set-aside commodities for foreign aid purposes is to be restricted to disposition for disaster or other relief purposes, subject to the limitation of title II of the Agricultural Trade Development and Assistance Act of 1954. The method provided by title I of the Agricultural Trade Development and Assistance Act of 1954 is specified as a method of sale or barter of such com-

nice to me when I used to speak to him on the floor. He ran afoul of the law and was convicted. Would the bill change the terms of that conviction and the terms of the contract having to do with his pension? I am only asking that question.

Mr. WILLIAMS. First, I should like to emphasize that the bill would cover all Government employees as well as the two individuals mentioned, but since those two have been mentioned, let us deal with them. In both of those instances, those men were serving in the Congress prior to the time that any retirement system was established for Members of Congress. They were elected to serve, and they served their terms of office not expecting any retirement benefits. After they left Congress, retirement benefits were provided. In the case of the Representative from Kentucky, at the time he was convicted and sentenced to jail no retirement benefits were in effect as far as Members of Congress were concerned, because the congressional retirement system went into effect in 1946. Congress retroactively gave Members of Congress the right to make back payments and thereby become eligible. As far as the Congressman from Kentucky is concerned, when he was elected to Congress and when he signed his oath of office, he did not know there was going to be any retirement benefits, nor were there any deductions made from his pay for such retirement benefits.

By no stretch of imagination could it be said we are taking anything from him.

Mr. ANDERSON. He did make payments and entered into a contract.

Mr. WILLIAMS. The Representative from Kentucky, or any other Member of Congress, after the retirement law went into effect, could qualify under the law but surely that law was never intended to protect crooks or in Alger Hiss' case, a traitor.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from South Dakota.

Mr. MUNDT. We certainly would not be taking away any right. They have certain privileges as Members of Congress, if they desire to pay in a part of their salaries in order to contribute to the retirement fund. That law was enacted comparatively recently, starting in about 1948. If there are Members of the Senate or of the House who want to insist that the American taxpayers should be taxed to pay pensions to chiselers and crooks, we ought to take a yea and nay vote and find out just who want to tax the homefolks so the Government can pay pensions to jailbirds. This is a little astonishing to me. If that is going to be done, we should have a yea and nay vote. In my opinion, the bill should be passed unanimously. The proposal is to take away from the faithless people nothing but a privilege, and they will be returned every dime that they contributed, as well as interest. I do not think we should ask the taxpayers to contribute to pensions to faithless officeholders or chiselers.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Minnesota.

Mr. THYE. The question I wish to ask is that before such persons would be deprived of the rights of any retirement funds which have been accumulated to their credit, they would have to be convicted in a court. Is that correct?

Mr. WILLIAMS. That is correct, and then they will get all their contributions plus interest back. Surely that is as much as they have any right to expect.

Mr. THYE. Before any benefits would be taken from a Federal employee, the courts of the United States must have found him guilty of a violation, and then and then only would the retirement benefits be taken away from him. Is that correct?

Mr. WILLIAMS. That is right. The bill does not propose to stop a pension because a man would be charged with something on the floor of the Senate or even because a man might be indicted by a grand jury. He must be convicted by the courts. After he has been convicted by the court, the provisions of the bill would go into effect.

Mr. MUNDT. The issue is very clear. It is whether Members of Congress desire to have people back home pay taxes which will go toward the payment of pensions to jailbirds or not. They have to be a jailbird before pensions are stopped.

Mr. FERGUSON. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. I was a sponsor, I believe, of the original Senate bill in regard to these pensions. When I introduced the bill, I thought Government officers and employees convicted of such offenses were entitled to have their payments returned, with interest. I always thought that was a fair way to deal with the situation.

The House has passed House bill 9909. I hope the Senate will pass the House bill, as a proper way to deal with Government officers and employees who have been unfaithful to the trust reposed in them.

Mr. WILLIAMS. I certainly agree; and I hope the Senate will also adopt the amendment to give the Department of Justice 2 more years to catch these individuals.

Mr. FERGUSON. I should like to join the Senator from Delaware in sponsoring that amendment, if he is agreeable to having me do so.

Mr. WILLIAMS. I am glad to have the Senator from Michigan join in both proposals.

Mr. FERGUSON. I feel that the Statute of Limitations should be extended for that purpose. The new administration has taken over, and is investigating these cases. It would be sad if, while the administration is investigating the cases, the Statute of Limitations were to expire and these persons were permitted to go scot free.

As to those with respect to whom the Statute of Limitations has not run on the day we pass the bill, the statute should be extended.

Mr. WILLIAMS. That is correct.

Mr. COOPER. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. HENDRICKSON. Mr. President, if the Senator from Delaware will yield to me, I was about to request that this bill be temporarily laid aside, so that the Senate might proceed to consider the conference report on the farm bill, a privileged matter.

Mr. WILLIAMS. I believe the Senate can take final action on this measure in a moment or two, if the Senator from New Jersey will withhold his request. It is important that this bill be passed tonight in order that the House can act before adjournment.

Mr. HENDRICKSON. Very well.

Mr. COOPER. Mr. President, there is no question about the power of Congress to legislate prospectively. I wish to ask the distinguished Senator from Delaware whether he considered the question of whether Congress can legislate so as to have the effect of abolishing contracts which have been entered into before the enactment of this bill. I am not trying to argue on the merits of the bill or whether the bill should be passed or should not be passed. I think all of us agree that no one who is a traitor to his country should be rewarded by his country. On the other hand, there is a problem which cannot be answered in that way.

Did the committee consider whether Congress can legislate retrospectively to dissolve or abrogate a contract?

Mr. WILLIAMS. That question was considered by both the House committee and the Senate committee. I know the Senate committee was unanimous in its decision in regard to that question, and I believe that the House committee was likewise unanimous in holding that Congress had a right to repeal these retirement benefits for convicted employees as well as the right to extend the statute of limitations from 3 to 5 years in order to have adequate time to catch corrupt officials. The Department of Justice has been pleading for this authority.

As the Senator from South Dakota [Mr. MUNDT] has pointed out, we do not owe these persons anything. It is a privilege to come under the Government retirement system, and the Government makes contributions to that system. This bill provides that all the money such persons have contributed to the retirement system shall be repaid to them, with interest.

The Attorney General, the Senator from Michigan [Mr. FERGUSON], who is an able lawyer, and many other members of the committee have agreed that the Government could not extend the statute of limitations retroactively. This measure applies only to cases in which the statute would not have run on the date of enactment of the bill. The amendment does not apply retroactively to extend the 2-year statute of limitations in regard to a case which expired yesterday.

The Attorney General advised that to make the bill retroactive would not be unconstitutional, and that was the decision of the members of the Judiciary Committee as well.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of August 18, 1954
83rd-2nd, No. 161

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HIGHLIGHTS: Senate passed bill to increase CCC borrowing power, and House concurred in amendment re mangoes imports. Senate agreed to conference report on supplemental appropriation bill and acted on amendments in disagreement. Senators criticized drought-relief administration. Senate debated Federal pay raise. Senate passed plant patenting bill. Senate passed bill permitting long-term leases of forest lands. Senate committee reported bill to codify food-drug laws. House agreed to conference report on fringe-benefits personnel bill. House concurred in Senate amendments to flood control bill. House concurred in Senate amendments to unemployment compensation bill. Reps. Whitten and Burdick criticized farm program bill. Rep. Hope inserted President's statement when signing water facilities bill. Sen. Fulbright inserted Democratic Digest article on farm program. Conferees agreed to file report on foreign-aid appropriation bill. Rep. Brown (Ga.) urged drought relief for Ga. Rep. Polk criticized agricultural advisory committees.

SENATE

1. COMMODITY CREDIT CORPORATION. Passed H. R. 9756, to increase the borrowing power of CCC from \$8½ billion to \$10 billion, with an amendment by Sen. Holland to add mangoes to the provision in the farm program bill which would require that certain imported fruits and vegetables comply with the standards of domestic marketing orders (pp. 14208-9). The House concurred in the amendment (p. 14179). This bill will now be sent to the President.
2. SUPPLEMENTAL APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 9936. Concurred in the House amendments, to Senate amendments, mentioned in Digest 160. Sen. Kefauver criticized plans to move headquarters of the Civil Defense Administration to Mich. (pp. 14213-23.) This bill will now be sent to the President.

3. PATENTS. Passed without amendment H. R. 5420, providing that a patent may be obtained on cultivated sports, mutants, hybrids, and newly found seedling plants (p. 14229). This bill will now be sent to the President.
Discussed and, on objection of Sen. Gore, passed over H. R. 3534, to authorize extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods (pp. 14255-6).
4. FORESTRY. Passed with amendment H. R. 1254, to permit 30-year leases of national forest and certain other Federal lands for public purposes (pp. 14227-8).
5. TRAVEL; TRANSPORTATION. Passed without amendment H. R. 179, which authorizes pay of travel expenses of certain civilian employees stationed outside continental U. S. and their immediate families in connection with taking periodic leaves of absence in the U. S., authorizes return of the immediate families and household goods of employees prior to the return of the employees under certain circumstances; etc. (p. 14229). This bill will now be sent to the President.
6. PERSONNEL. Passed without amendment H. R. 7785, to amend the Civil Service Retirement Act so as to make permanent the increases in regular annuities provided by the act of 1952, and to extend such increases to additional annuities purchased by voluntary contributions (p. 14247). This bill will now be sent to the President.
.... Concurred in a House amendment to S. 3627, to amend the Civil Service Retirement Act so as to require an employee to complete 1 year of creditable civilian service subject to the Act within the 2-year period preceding separation in order to establish title to his annuity from the civil service retirement and disability fund (p. 14306). This bill will now be sent to the President.
During debate on H. R. 2235, a reclamation bill, Sen. Johnston offered an amendment/the committee substitute for H. R. 7774 (the incentive-awards bill), which would grant a 5% Federal pay raise. The Johnston amendment was rejected, 47 to 30. (pp. 14292-8.)
During calendar call, discussed the committee provisions (as amendments to H. R. 7774) for a Federal pay raise and the Knowland amendments (which were printed in the Record) to provide a 3½% pay raise for classified employees and increases in postal rates. No action was taken on the amendments, but it was indicated that they would be formally considered later. (pp. 14230-1, 14249-55.)
The Post Office and Civil Service Committee reported without amendment H. R. 1553, to amend the Civil Service Retirement Act so as to provide for the inclusion in the computation of accredited service of certain periods of service rendered to States or instrumentalities of States (S. Rept. 2494)(p. 14201).
The Committee also reported S. Con. Res. 105, "to express the sense of the Congress on excusing Government employees from work on the afternoon of August 31, 1954, to attend the parade of the American Legion in the District of Columbia" (S. Rept. 2495)(p. 14201).
7. LAW REVISION. The Judiciary Committee reported with amendments bills to codify titles of the U. S. Code and enact them into positive law, as follows: H. R. 9728, title 21, regarding food, drugs, and animal-plant diseases (S. Rept. 2496); H. R. 9729, title 13, "Census" (S. Rept. 2497); and H. R. 9730, corrections of various obsolete references (S. Rept. 2498)(p. 14201).
8. DROUGHT RELIEF. Various Senators criticized USDA administration of the drought-relief program (pp. 14266-70, 14277-82).
9. FARM LABOR. Passed without amendment S. 3813, to permit immigration of certain

gram in this country or we do not have a stockpiling program. If we should ask the miner in Arizona, he would say we do not have a stockpiling program.

We in Arizona produce strategic metals. I wished to call this situation to the attention of the Senate in these closing days, because this is a matter of vast importance to the United States. It is of particular importance to the Southwest and western part of the United States, where the mining operations of our country are carried on, and it is important to the future safety of the Nation to have adequate stockpiling.

I do not believe that we should put American miners out of work to keep cheap labor at work in other countries of the world. There is not a mine operating in my State today which can produce lead and zinc, and if war were to come tomorrow it would take months and months to open those mines. While I do not like to go around channels. I hope my remarks today will wake up the head of the ODM, so that he will either tell us there will be no future program, or will say "Gentlemen, this is your program."

EXECUTIVE SESSION

Mr. KNOWLAND. Madam President, I move that the Senate proceed to the consideration of executive business for action on the nominations on the calendar.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BRICKER, from the Committee on Interstate and Foreign Commerce:

James P. Randall, for permanent appointment as ensign in the Coast and Geodetic Survey.

By Mr. MILLIKIN, from the Committee on Finance:

Russell E. Atkinson, of New Jersey, to be comptroller of customs, with headquarters at Philadelphia, Pa.

By Mr. LANGER, from the Committee on the Judiciary:

Lewis J. Grout, of Kansas, to be a member of the Board of Parole; and

John E. Henry, of Montana, to be a member of the Board of Parole.

By Mr. CARLSON, from the Committee on Post Office and Civil Service:

Seventy-five postmasters.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees the clerk will state the nominations on the executive calendar.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Herbert Hoover, Jr., to be Under Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE ARMY

The legislative clerk read the nomination of Charles C. Finucane to be Assistant Secretary of the Army.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frank H. Higgins to be Assistant Secretary of the Army.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE AIR FORCE

The legislative clerk read the nomination of Lyle S. Garlock to be Assistant Secretary of the Air Force.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATION PASSED OVER

The legislative clerk read the nomination of Trevor Gardner to be Assistant Secretary of the Air Force.

Mr. KNOWLAND. Madam President, I ask that this nomination be passed over.

The ACTING PRESIDENT pro tempore. The nomination will be passed over.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of William Birrell Franke to be Assistant Secretary of the Navy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Robert McClintock to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Cambodia.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Yost to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Laos.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATIONS PASSED OVER

Mr. KNOWLAND. Madam President, by request I ask that the nominations for United States circuit judge and United States district judge be passed over for the time being.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be passed over.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Jay Neal to be United States marshal for the western district of Arkansas.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William C. Littlefield to be United States marshal for the northern district of Georgia.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk read the nomination of Lt. Gen. John Ernest Dahlquist to be Chief, Army Field Forces, with the rank of general, and as general in the Army of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Maj. Gen. Henry Irving Hodes to be commanding general, VII Corps, with the rank of lieutenant general and as lieutenant general in the Army of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Maj. Gen. John Howell Collier to be commanding general, I Corps, with the rank of lieutenant general, and as lieutenant general in the Army of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Maj. Gen. Charles Edward Hart to be commanding general, V Corps, with the rank of lieutenant general, and as lieutenant general in the Army of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry other nominations in the Army.

Mr. KNOWLAND. Madam President, I ask unanimous consent that the other nominations in the Army be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the other nominations in the Army are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for temporary promotions in the Navy.

Mr. KNOWLAND. Madam President, I ask that the nominations in the Navy be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

The legislative clerk proceeded to read sundry nominations for promotion in the Navy, favorably reported on August 17, 1954, but not printed on the calendar.

Mr. KNOWLAND. Madam President, I ask unanimous consent that these nominations be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

Mr. KNOWLAND. Madam President, I ask that the President be immediately notified of all confirmations of today.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KNOWLAND. Madam President, I move that the Senate return to the consideration of the legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. KNOWLAND. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. What is the unfinished business before the Senate?

The ACTING PRESIDENT pro tempore. Is there further morning business? If there is no further morning business, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 9756), an act to increase the borrowing power of the Commodity Credit Corporation.

PROGRAM FOR TODAY

Mr. KNOWLAND. Madam President, I should like to make a brief announcement to the Senate as to the program for the remainder of the day. There is the unfinished business, Calendar No. 2499, H. R. 9756, an act to increase the borrowing power of the Commodity Credit Corporation, to be handled by the chairman of the Committee on Agriculture and Forestry, the Senator from Vermont [Mr. AIKEN].

Following that will be the supplemental appropriation bill conference report. The senior Senator from Michigan [Mr. FERGUSON], the ranking Republican on the Committee on Appropriations, will handle that matter for the Senator from New Hampshire [Mr. BRIDGES], the chairman of the committee, who is temporarily absent.

We will follow the consideration of that bill with a calendar calls of bills to which there is no objection, starting at the beginning of the calendar and proceeding to the point where the last calendar call was concluded; that is, beginning with Calendar No. 19, S. 242, and ending with Calendar No. 2519, S. 3851; to be followed by the consideration of measures which were placed at the foot of the calendar on the last call. A list

of those measures is at the desk, for the information of Senators.

Immediately after we have concluded the call of the calendar, there will be another meeting of the policy committee, and other measures will be recommended for consideration by the Senate, and for me to take up with the minority leader. Several other bills, which we have already scheduled, will be taken up between the conclusion of the call of the calendar and the meeting of the policy committee. Those measures are:

Calendar No. 2223, H. R. 7130, the immigration and nationality bill.

Calendar No. 2054, H. R. 9987, the merchant marine bill, together with its companion bill, Calendar No. 1817, S. 3219. Because of the time element involved, the Senate probably will take up the House bill.

Calendar No. 2365, S. 3067, relating to executive agreements being made available to the Senate of the United States in the same way in which they are now being made available to the United Nations.

When we have completed consideration of those bills, we shall have another list of proposed legislation, depending on what has been disposed of on the call of the calendar.

INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation.

Mr. AIKEN. Madam President, it was with some reluctance that the Committee on Agriculture and Forestry reported the bill providing for an increase in the borrowing authority of the Commodity Credit Corporation. When the borrowing authority of the Commodity Credit Corporation was raised to \$8½ billion early last spring, we hoped that that would be the last time we would have to increase its borrowing authority, for some years, at least. However, conditions which have developed pose a question as to whether the \$8½ billion in borrowing authority will be adequate to carry the agency through with its commitments for the 1954 crop year.

The latest figures I have are as of yesterday, August 17, 1954. I do not claim that they are accurate down to the last dollar. They were given to us by the Commodity Credit Corporation this morning. They show that maximum borrowing authority available of the \$8,500,000,000 approximately \$6,793,000,000 is now obligated. Last year, from August to January, about \$2½ billion was obligated. Therefore it is perfectly obvious that if the Corporation uses close to that amount this year, the \$8½ billion may not be adequate. The Commodity Credit Corporation does not believe it will use all of the \$8½ billion, but if economic conditions around the world should be such that commerce and trade is lessened, or if the crops of this country should pick up from the present anticipated yield level, a maximum of \$9,800,000,000 may be required.

We do not feel safe, therefore, in leaving the maximum borrowing authority at \$8½ billion, as it is now. It appears that close to that amount will be used, and it is possible that that amount may be exceeded.

I might point out that the new agricultural bill which was passed yesterday contains an authorization for the use of \$50 million a year for the purchase of milk for the school-lunch programs, and also an authorization for the use of \$15 million a year for the next 2 years to be used in the brucellosis-eradication program. This \$65 million, which can be used next year, was not taken into consideration when we determined how much borrowing authority the Commodity Credit Corporation would have to have.

For that reason, and for the other reasons I have given, the Committee on Agriculture and Forestry recommends this increase of \$1½ billion in the borrowing authority of the Commodity Credit Corporation. This amount will bring borrowing authority of the Corporation up to \$10 billion. I believe that will probably be the maximum amount needed for some years to come under present prospects. We are hopeful that supplies and production will come in line with demand as to several commodities in which we have a great investment at the present time. I believe they will. I believe that if we raise the maximum borrowing authority to \$10 billion that amount will be adequate for many years to come.

Mr. SCHOEPPEL. Madam President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SCHOEPPEL. Is it not true that we are approaching this question with a margin of safety in mind?

Mr. AIKEN. That is entirely correct.

Mr. SCHOEPPEL. Is it not true that there is a feeling on the part of many members of the Committee on Agriculture and Forestry that the Commodity Credit Corporation may not be required to use the \$10 billion, but we wish to keep faith with the American farmers, who raise crops under the various programs, and we feel we must have that margin of safety? Is that a fair statement of the situation?

Mr. AIKEN. Frankly, I do not believe all of the \$10 billion will be used. However, it is better to have a few hundred million dollars more than is required than to fall short by two or three hundred million dollars, and have to deny loans to farmers who under the law are entitled to such loans.

Mr. SCHOEPPEL. Madam President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. SCHOEPPEL. Is it not true that we have noted a very great acceleration in the amount which the Corporation was required to lend, and it is because of anticipation that we may have to hedge against that kind of recurrence that we ask for this safety factor of \$10 billion?

Mr. AIKEN. That is true. I believe that conditions will become better in this field, although we have no way of guaranteeing it. Therefore, we must make

sure that we do not get caught without adequate funds to carry out our commitments, because otherwise we certainly would be in real trouble.

Mr. HOLLAND. Madam President, I think that nothing better exemplifies the fact that the handling of the vital agricultural question in the committee is wholly bipartisan, and, likewise, that there is no difference between Senators who favor the new agricultural law, passed last night, and those who do not favor that law, than the fact that all members of the Committee on Agriculture and Forestry favored the enactment of the pending bill, as proposed, and left the matter in the hands of the distinguished chairman and the ranking minority member of the committee, to be presented and passed upon after the new farm bill was out of the way.

I wish the RECORD to show that all members of the committee favor this bill.

Madam President, I offer the amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Florida.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 3. (a) Section 8e of the Agricultural Adjustment Act (of 1933), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is amended by inserting after "avocados" a comma and the word "mangoes."

(b) The amendment made by this section shall become effective upon the enactment of this act or upon the enactment of the Agricultural Act of 1954, whichever occurs later.

Mr. HOLLAND. Madam President, to make a brief explanation of my amendment, the Senate will recall that in the bill passed last night there is a section relating to certain small crops produced in the southern part of the United States, principally in Florida, which meet foreign competition. Those crops include tomatoes, avocados, and other products which were specified in the bill which was passed last night.

When we reached the conference we found that one of the small fruits which was supposed to be included in that particular measure had not been included in either the House version or the Senate version. Therefore, it could not be included by the conference committee without risking the making of a point of order against the entire conference measure. The conferees were agreed that mangoes and avocados should be included, and it was agreed that the proper method to be followed would be that of presenting an amendment at this particular time. So, Madam President, the matter has been discussed by the conferees of the House and the Senate, and unanimously agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amend-

ment. If there be no further amendment, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LOSS OF NATIONALITY BY PERSONS CONVICTED OF CERTAIN CRIMES

Mr. KNOWLAND. Madam President, I move that the Senate proceed to the consideration of Calendar No. 2223 (H. R. 7130) to amend the Immigration and Nationality Act to provide for the loss of nationality of persons convicted of certain crimes. I wish to have it made the pending business before the Senate.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 7130) to amend the Immigration and Nationality Act to provide for the loss of nationality of persons convicted of certain crimes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7130) to amend the Immigration and Nationality Act to provide for the loss of nationality of persons convicted of certain crimes.

DANGER CONFRONTING OUR ECONOMIC SYSTEM

Mr. GOLDWATER. Madam President, much has been said during this session of the Congress about the giveaway programs of the Republican administration. I think there is a giveaway program in progress in this country which is of far greater significance than is anything that has thus far been attributed to the Republican administration. I refer to the attempt to give away our economic system.

Repeated remarks on the floor of the Senate indicate that this infection is penetrating these walls. There are indications that certain Senators either desire to do away with our free-enterprise system and put the Government into business, or that they do not quite understand how the system operates. Because of that, a few days ago I made some remarks of a rather academic nature, trying to educate, where education was needed, and trying to encourage, where encouragement was needed.

I am far more fearful of the effect of the "giveaway" of our free-enterprise system than I am of any indication that this administration may be attempting to give anything away.

There has been sent to all Senators—I have received two copies—from the Joint Committee on the Economic Report a booklet entitled "Toward Full Employment and Full Production," which is issued by the Conference on Economic Progress. A group of very distinguished Americans have lent their names to this effort, and I should like particularly to call attention to one Leon H. Keyserling,

former Chairman of the Economic Advisory Committee to the President. As a member of the Joint Committee on the Economic Report I do not subscribe to the kind of thinking set forth in this publication, and I, as one member of the committee, should like to invite the attention of the Senate to the fact that this booklet was not sent out with the approval of the full committee. If it was sent out with anything in mind, I sincerely hope it was sent out merely to let the members of the committee know what is going on in the minds of this group calling themselves "The Conference on Economic Progress."

Madam President, this formula puts the cart in front of the horse, and if we adopt such a formula, from henceforth the cart will pull the horse.

I wish to read a few short statements from this booklet to illustrate what I mean. In the first place, it is said:

Government initiative is essential.

Madam President, what is wrong with private initiative in this country? Recently, the tax bill was criticized on the floor of the Senate by the distinguished Senator from Georgia [Mr. GEORGE], and that criticism shocked me, because I have long had implicit faith in the Senator's adherence to the concept of free enterprise. We could put initiative back into private hands and take it out of the hands of the Government. That tax bill puts money where money is needed, into the hands of investors, so they can buy new tools and erect new buildings, so that jobs will be available in 2 or 3 years from now. It does not put the cart in front of the horse, as does this proposition.

I continue to read from this booklet:

As indicated by the above table, the annual rate of Federal outlays should be increased by about \$3 billion above the rate in the first quarter of this year. This would still be about \$2½ billion below the rate in the middle of 1953. If increases of this size in national security outlays are not needed (though they may well be), there are enormous backlogs of needs at home—for roads, schools, hospitals, and many other public works.

Madam President, that is \$3 billion more in deficits which this organization suggests. I am sorry to say that some of our brethren in the Senate agree that we should go into deficit spending. I admit that there are jobs that need to be done, schools that need to be built, roads that need to be constructed, bridges that need to be provided. I suggest that if the Federal Government would get out of private business and get out of the business of the counties, the cities, and the States, these lower echelons of government could well finance these projects themselves, and not send their money to Washington, in which case, instead of getting a hundred cents back, they get back only 50 cents or less. It is very easy to talk about \$3 billion when we do not have to find the tree on which that money grows.

I read further:

If the increase in the annual rate of Federal outlays is kept within the general magnitude set forth above, the Federal Government should also reduce personal income taxes by about \$4½ billion, with as much of

the reduction as feasible as far down in the income structure as feasible to promote current spending.

Madam President, if the Federal Government's fiscal affairs were in such shape as to cut \$7½ billion off income taxes, I would say we should do so. But we cannot, willy-nilly, cut \$7½ billion. That, with the \$3 billion deficit spending suggested in the booklet, makes it \$10½ billion. What they are trying to get at is that we should adopt this newly developed brainchild of one of these "eggheads," which is the first indication that the cart is in front of the horse. Our products cannot be manufactured by the Government. They could be manufactured, perhaps, for a few years, and then inflation would be with us, and we would not have any national production or anything but economic chaos in this country.

The tax bill has been criticized for not cutting taxes in the lower brackets. I wish it had been possible to cut all brackets of taxation, for certainly that would have indicated a more sensible, more stable, and a more healthy fiscal condition.

But I ask this question: If the exemption had been raised by \$100, as was suggested, would it have been wise to do so, in view of the fact that it would have represented less than the national income of the country for 2 days? Even if we had taken the maximum, it would have been less than the total national income of the country for 1 week. It would have been merely a pin prick upon the total annual economy of the country.

If the exemptions had been raised this year, and if they had been made available to the people of the country, with no relief to the corporations, with no relief to the man who has money to invest in tools, buildings, and jobs, might not the jobs have been vacant in a year from now or 2 years from now, since business cannot grow without the investment of capital? I might add, rather facetiously, also, that for 21 years there was an opportunity to reduce taxes, but they were not cut. The only times taxes were cut were during the 80th Congress and the 83d Congress.

I think the Nation is headed in the right direction, but I call attention to the fact that the soundest point in the President's tax program is where he refers to the American people who have money to invest. Mind you, Madam President, that does not mean only the wealthy, because 55 percent of the stockholders of the Nation have incomes of less than \$5,000, so all of America is interested in our economy. It is not merely the rich man; it is not simply the white-collar worker. All of America is interested. I might even suggest that the union member today is the new capitalist of America. He is vitally interested in making certain that factories are built and jobs maintained. He is interested in being able to work a year, 2 years, or 3 years from now. That is of more importance to the worker than a \$40 or a \$80 cut in taxes, or, I might even suggest, a reduction of \$100 or \$200. The American worker wants security in his job; and security in his job will come

from an accelerated interest in the American economy from the private standpoint, not from the public standpoint.

I continue with the suggestions to achieve a full economy. The booklet suggests:

Measures to stabilize and in the long run to enlarge farm income, while absorbing surpluses should be undertaken.

That is magic. If that could have been done, it would have been done. I wanted to get into the colloquy last night to ask Senators on the other side of the aisle, who were talking about the disaster which was befalling the farm industry, what their slant really is. Ninety percent of parity is not working. It never has worked, except in time of war. I do not believe there is a Member of the Senate or a person in the country who would advocate that the Nation go to war to prove that 90 percent of parity works. It has not worked.

Instead of standing on the floor and saying that if we take away 90 percent of parity, it will bankrupt the farmers of the Nation, why cannot we offer a program, if that is the trend, which will say that we will take care of the present economic plight, that we will go to 100 percent of parity? Oh, yes; it would be only a few years before it would be necessary to go to 105 percent and then to 110 percent, because there is no magic solution to the farm problem except to get the farm products on the open market, where they can be regulated and controlled by the law of supply and demand.

There is no magic way to get rid of the surpluses, unless, first, we let them lie where they are; or second, ship them to Europe in lieu of money, with the understanding that we shall continue with the program simply in order to ship the surpluses away.

Mr. KEFAUVER. Madam President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. KEFAUVER. In the discussion last night I suggested three factors which might be considered in connection with eliminating some of the farm surpluses and preventing the accumulation of such large surpluses in the future.

First, I suggested that if there could be fuller employment, so that our people could afford a better and a fuller diet, the surpluses would disappear. I think the facts bear out the theory that if the American people ate what they really need to eat, with respect to a better caloric diet, there would not be surpluses of farm products.

Second, more should be done to improve the school-lunch program. Something was done to that effect, although in a small way, in the conference report which was agreed to yesterday.

Third, if we would really get behind the President's program for a lowering of tariffs and a revival of world trade, a great many of our farm products could be sold and disposed of abroad. In that connection, it might be well to point out that, as the Senator from Arizona so well knows, from one-third to one-half of the people of the world are hungry. They live in countries whose products

we could procure in return for the food which could be shipped to them. That is particularly true of cotton, in which both the Senator from Arizona and I are interested. Exports of cotton have dropped at least 50 percent. There are many other farm products which could be disposed of abroad, if the United States had the courage really to put into effect a gradual lowering of tariffs and an extension of the reciprocal trade agreements program, which was recommended by the President and by the Randall Commission, and which was voted for by most of the Democrats in the Senate.

I wonder if the Senator from Arizona does not believe that such programs might do some good.

Mr. GOLDWATER. I intend to cover those propositions; and if the Senator from Tennessee has the patience to wait, I propose to go into them more fully. Merely answering "Yes" or "No" would not suffice, because I have some definite suggestions; and the suggestions will come out of the little blue book. If I do not answer the Senator's questions fully, I shall be happy to do so when I have completed my speech.

I think the Eisenhower administration has taken a very courageous and long-needed step in the farm program. I think the farmers as a whole, instead of resenting it, are thankful that here is an administration which sees the answer. The answer has not been completed this year; but the answer is now in the cards. If the farmer can now be placed in the open market on a competitive basis, without his having to lean on a Government crutch, without creating surpluses, then the farmer will come into his own, as he should, under the free-enterprise system.

It was suggested that the unemployment compensation program should be expanded. I think that is wise. The President has approved it. It is a part of the President's program.

Also, it has been suggested that a higher minimum wage law is needed. In that instance, the issue of States' rights becomes involved. Minimum wages cannot or should not be regulated from Washington. Working conditions in Tennessee do not compare with working conditions in the District of Columbia or in Arizona. The people of the respective States should have the right to set their own minimum wage. If the minimum wage is too low, then the States have the machinery by which the wages can be raised.

I might cite an example in my own State of Arizona. Arizona has a law which provides that 20 persons in any industry can petition the Industrial Commission for a hearing. Only last month the retail trade raised the minimum wage by some \$10 a week, through the process of going to the State government.

The Federal Government should not encroach. I consider the suggestion of the Conference on Economic Progress to be merely another step into the already open door to the destruction of the 10th amendment to the Constitution.

seeking the best talent and if the military situation permits an attempt is made to give enlistees an opportunity to pursue courses of training which they select, nevertheless I am informed by this same office, the Army does not give a written commitment. Likewise, I was advised that there can be no guaranty of an initial Army assignment in a man's specialty.

I feel that attention should be directed not only to the editors of the publication in which the above statements occurred but that the attention of the Army should be directed to the dissemination of any information which is misleading in character. Members of Congress are aware of the fact that quite frequently our attention is directed to alleged statements made by recruiting personnel who in their enthusiasm to obtain enlistments sometimes make statements which are used as the basis for obligations which the Army cannot fulfill.

In order that enlistees may be relieved of disappointment and Members of Congress spared the inconvenience and embarrassment that accompanies our efforts to correct such misunderstandings, I feel that every effort should be made to police the dissemination and circulation of inaccurate statements involving recruiting policies of the Armed Services.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield?

Mr. HOFFMAN of Michigan. Does that article reflect in any way on the Armed Services?

Mr. JONES of Missouri. I do not think it reflects on it. I think it states an inaccuracy.

Mr. HOFFMAN of Michigan. Have you called the attention of the News to it?

Mr. JONES of Missouri. No, I have not.

Mr. HOFFMAN of Michigan. I wondered if you intended to.

Mr. JONES of Missouri. I will, sir.

THE LATE HONORABLE CHARLES WARREN

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday there passed away the Honorable Charles Warren. He was 86 years old and was a noted constitutional lawyer and author as well as a very distinguished citizen and native of Massachusetts. He was a great credit to his alma mater—Harvard College, where he won his Phi Beta Kappa key. He resided for many years in Washington. He was known and respected for his very fine work as Assistant Attorney General under President Wilson. While in that office, he drafted the Espionage Act and organized the Bureau of Investigation which later became the FBI. He was known for his brilliant mind and his eager and intelligent interest in everything that went on in the world. He was very loyal to the Democratic Party. He lived it and he breathed it and he thoroughly believed in it.

Charles Warren's life most surely represents what has been called the "three-fold function of a lawyer"—adviser, representative, and advocate. The traditions and common precepts of his profession were held on a high plain. He found his highest honor in a deserved reputation. He was known for his fidelity to private trust and to public duty. He was truly a patriotic and scholarly citizen of the United States.

My husband and I were warm friends of Charles Warren and his lovely, gracious, and devoted wife. I will miss him more than I can say. His native commonwealth of Massachusetts, the United States Capital and the country have suffered a great loss. My deepest sympathy goes to his beloved wife and family.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House tomorrow for 30 minutes, following the legislative business of the day and any special orders heretofore entered.

TO INCREASE BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

After line 9, insert:

"SEC. 3. (a) Section 8e of the Agricultural Adjustment Act (of 1933), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is amended by inserting after 'avocados' a comma and the word 'mangoes.'"

"(b) The amendment made by this section shall become effective upon the enactment of this act or upon the enactment of the Agricultural Act of 1954, whichever occurs later."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

THE LATE HONORABLE PAUL W. SHAFER

The SPEAKER. The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Speaker, yesterday it was my sad duty to inform the House and the Nation of the passing of our beloved and esteemed colleague, PAUL W. SHAFER, of Michigan.

At this point, Mr. Speaker, I ask unanimous consent that I may place in the RECORD as part of my remarks a biography of Congressman SHAFER.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, Congressman PAUL W. SHAFER, 61, Republi-

can, of Michigan, died at Walter Reed Army Hospital at 3:50 Tuesday afternoon. Congressman SHAFER had entered the hospital on August 5 and had undergone surgery last Friday, for a chronic liver condition.

Announcement of Mr. SHAFER's death was made by his office.

PAUL W. SHAFER, Representative in Congress from the Third Michigan District since 1937, was born in Elkhart, Ind., April 27, 1893, the son of John McClellan and Sarah C. (Werntz) Shafer.

His parents moved to Three Rivers, Mich., when he was a child, and he was educated in the Three Rivers public schools. Later he was a student at Ferris Institute, Big Rapids, Mich., and studied law by correspondence with the Blackstone Institute, of Chicago.

Mr. SHAFER was a member of the Indiana State militia in 1916-17. He served on the Mexican border but was rejected for military service during the First World War due to a physical disability.

For many years Congressman SHAFER was a newspaperman, working as a reporter in Elkhart, Ind., and with the Grand Rapids (Mich.) Herald, at the time the late Senator Arthur H. Vandenberg was editor. Later he was city editor of the Battle Creek (Mich.) Moon-Journal until his election in 1929 as municipal justice of the city of Battle Creek. He was reelected for a second 4-year term and served until his election to Congress in 1936.

Mr. SHAFER defeated incumbent Congressman Verner W. Main for the Republican nomination in 1936, and in November of that year was 1 of only 3 new Republican Members in the United States elected to Congress. He was reelected for eight consecutive terms, and on August 3 of this year was renominated without opposition as the Republican candidate for reelection.

After early service on the District of Columbia and Post Office Committees of the House, Mr. SHAFER became a member of the Military Affairs Committee, continuing as a member of the House Armed Services Committee at the time the Military and Navy Affairs Committees were combined. He was fourth-ranking Republican member of the Armed Services Committee at the time of his death, and was chairman of No. 1 subcommittee.

Congressman SHAFER was author of the synthetic-rubber legislation which continued Government development and operation of the synthetic-rubber industry following World War II. Last year he was author of the synthetic-rubber-disposal legislation, and led the successful fight for its enactment by Congress. Under this act private industry is bidding competitively for acquisition of the synthetic-rubber facilities, final disposal subject to subsequent approval by the Congress. In May of last year, Mr. SHAFER, who was recognized as the leading congressional authority on the synthetic-rubber industry, was the congressional adviser on the United States delegation to the 10th International Rubber Study Group Conference in Copenhagen, Denmark.

As a member of the House Armed Services Committee, Mr. SHAFER was a

leader in the successful fight against enactment of universal military training, subject of bitter controversy in Congress on at least three occasions during President Truman's administration.

Mr. SHAFER was the first Member of Congress to publicly advocate withdrawal of diplomatic recognition of Russia, and in a statement released only last Friday he warmly endorsed the recent testimony of Gen. Mark Clark urging this step. Mr. SHAFER was also the first Member of Congress to publicly warn of the threat to peace posed by a divided Korea—a warning given in an address in Congress March 4, 1947. He was a personal friend of President Syngman Rhee and in 1952 was named an honorary citizen of Korea.

During the Republican 80th Congress, Mr. SHAFER was author of the Industrial Reserve Act, preserving Government ownership of vital defense plants and machine tools and preventing sale of 92,000 pieces of machine tools to Soviet Russia.

During the past year, Mr. SHAFER has devoted a great deal of effort to securing military or other governmental utilization of the deactivated Percy Jones Army Hospital property in Battle Creek. As a result of his efforts this property was selected as the new headquarters of Federal Civil Defense Administration, which is transferring from Washington, D. C., to Battle Creek, September 1.

Mr. SHAFER was married October 31, 1917, to Miss Ila P. Mack, of Detroit. Mrs. Shafer died July 5 of this year in Battle Creek. The Shafers had no children.

Mr. SHAFER is survived by two sisters, Mrs. H. Earl (Isabel) Kanaga, of Battle Creek, and Mrs. Frank (Florence) King, of Three Rivers, Mich.; and his mother-in-law, Mrs. Nora Mack, who had made her home with the Shafers.

Mr. SHAFER was a Republican. He was an honorary member of the Veterans of Foreign Wars, of F. & A. M.—32d degree—and a past potentate of Saladin Temple, A. A. N. O. M. S. He was a member of Battle Creek Elks Lodge No. 32 and of the Lions International, and in 1932–33 was district governor of Michigan Lions. He was a Presbyterian.

Mr. SHAFER was a resident of Battle Creek during his service in Congress except for a 2-year period from 1946 to 1948 when he resided in Bronson, Mich., and owned and published the Bronson Journal, a weekly newspaper.

Mr. Speaker, during the nine terms that PAUL SHAFER served here he endeared himself to all of us who knew him. He was one of the most friendly, forthright, honest-minded and intellectual men who has ever sat in this Congress. I have known PAUL so well and so intimately throughout the years that words seem rather inadequate to characterize his life and his attainments.

Mr. Speaker, I know that the House and the Nation will recognize the great loss we have suffered in the passing of PAUL SHAFER. There is an example to be gained from his life. In the innermost reaches of our consciences and our hearts, I think everyone in his own way is cognizant of those lessons and

wants to emulate the friendliness, loveliness, and greatness of this great American.

(Mr. WOLCOTT asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. I now yield to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, with the passing of PAUL SHAFER I have lost one of my best friends. I do not know how to express what is in my heart. The loss is beyond words.

PAUL's record of 18 years' service in the House speaks for itself. It is a record written for all time. It bespeaks his ability as a legislator, and I know no Member who worked more diligently and more tirelessly in the interest of the people he represented.

PAUL served many years with me on the Committee on Armed Services. As every member of our committee will so willingly testify, he made a distinct contribution to the work of that great committee, and he certainly will be sorely missed.

I do not believe I ever knew a man who was so completely unselfish as PAUL SHAFER. He was always thinking of what he might do to help someone. His philosophy of life is well expressed in these words:

If any little word of mine
May make a life the brighter;
If any little song of mine
May make a heart the lighter;
God help me speak the little word
And take my bit of singing
And drop it in some lonely vale
And set the echoes ringing.
If any little love of mine
May make a life the sweeter;
If any little care of mine
May make a friend's the fleetier;
If any lift of mine may ease
The burden of another;
God give me love and care and strength
To help my toiling brother.

That was the way PAUL SHAFER felt and it was the way PAUL SHAFER lived. I, together with his many other colleagues and friends in the House, will sorely miss PAUL SHAFER. We extend to his relatives and friends our most sincere and heartfelt sympathy in this time of grief.

Mr. WOLCOTT. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I join with my colleagues in an expression of deep personal sorrow at the passing of a dear friend, PAUL SHAFER.

Although we have known him here in the Congress as a loyal son of Michigan who represented his people of the Third Congressional District there with high distinction, PAUL SHAFER was a Hoosier by birth, having been born, in fact, in the Third Congressional District of Indiana.

His decision to leave my State was indeed Indiana's loss and Michigan's gain. Certainly, I would have been proud to have worked with him here as a fellow member of our fine Hoosier delegation.

PAUL came to the Congress shortly after I did, and I shall remember him always as one of my earlier friends in this Chamber.

We were here together through those years when our side of this historic aisle was represented by a comparative handful.

It has been said that we are a part of all that we have met.

I think that applies largely to the good we see in others, and having known PAUL SHAFER through the years of his career in the Congress, it is my conviction that, not only myself but the many others here who knew him, are better men for the experience.

PAUL fought for his beliefs.

He was a rugged, stalwart champion of the principles for which he stood as a Member of the Congress.

That the people of Michigan who sent him down here respected his integrity and approved of his judgment is reflected in their continued support of his work, year after year.

It was my pleasure to learn, first hand, of the esteem and affection in which he was held by the people of his district.

On several occasions I had the happy privilege of appearing, at his invitation, in the district PAUL represented.

The many demonstrations of admiration and confidence expressed on PAUL SHAFER's behalf at such times by his friends and neighbors of Michigan must have been a source of tremendous gratification to him.

Certainly they were rich reward for the many years he devoted to public service.

I knew PAUL SHAFER as a generous and kind-hearted man here in the House of Representatives.

But I came to appreciate the full extent of his warm humanity during my occasional visits to his home and his district in Michigan.

No one could have been a more considerate host. The hospitality he extended left nothing to be desired in the realm of convenience and comfort.

PAUL SHAFER has made his mark in the Congress of the United States.

As majority leader, I can testify to his overall contributions to the sum total of our program, but others can better set out the details of his labors.

I want to offer my tribute to PAUL SHAFER primarily, however, as a man who walked among us as flesh and blood; who worked with us; who concerned himself with the problems we faced; who enjoyed life with us.

PAUL SHAFER was a great person.

Mr. WOLCOTT. Mr. Speaker, I yield to the gentleman from Texas [Mr. RAYBURN].

The SPEAKER pro tempore (Mr. WAMPLER). The gentleman from Texas is recognized.

Mr. RAYBURN. Mr. Speaker, I have served with a great many men and women during my time in this body, and I have taken the measure of most of them. I consider PAUL SHAFER one of the best friends I had in the House of Representatives, and I know that he considered me his friend. He was always kind and fine to me and to everybody else. He had a mixture in his makeup that attracted good people to him because he himself was good people.

Public Law 754 - 83d Congress
Chapter 1172 - 2d Session
H. R. 9756

AN ACT

All 68 Stat. 1047.

To increase the borrowing power of Commodity Credit Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of Commodity Credit the Act approved March 8, 1938 (52 Stat. 108), as amended, is Corporation.
amended by striking out "\$8,500,000,000" and inserting in lieu thereof Borrowing power.
"\$10,000,000,000". 15 USC 713a-4.

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out \$8,500,- 15 USC 714b(1).
000,000" and inserting in lieu thereof "\$10,000,000,000".

SEC. 3. (a) Section 8e of the Agricultural Adjustment Act (of Importation of 1933), as amended, and as reenacted and amended by the Agricultural mangoes.
Marketing Agreement Act of 1937, as amended, is amended by insert- Ante, p. 907.
ing after "avocados" a comma and the word "mangoes".

(b) The amendment made by this section shall become effective upon the enactment of this Act or upon the enactment of the Agricultural Act of 1954, whichever occurs later.

Approved August 31, 1954.

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